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NOTE

The term 'Britain' is used informally in the *Survey of Current Affairs* to mean the United Kingdom of Great Britain and Northern Ireland. 'Great Britain' comprises England, Wales and Scotland.

By-election and State of the Parties

Details of the result of a recent parliamentary by-election and present state of the parties in the House of Commons are given below.

The Conservative Party retained the seat at Kensington in a by-election on 14 July. The seat became vacant following the death in June of the Conservative MP, Sir Brandon Rhys Williams. The Conservative candidate, Mr Dudley Fishburn, won by a majority of 815. The result was as follows:

J.D. Fishburn (Conservative)	9,829
P.A. Holmes (Labour)	9,014
W. Goodhart (Social and Liberal Democrats)	2,546
J. Martin (Social Democratic)	1,190

Eleven other candidates between them received a total of 1,054 votes; all lost their deposits. Votes were cast by 51 per cent of the electorate.

At the general election in June 1987, when 64·7 per cent of the electorate voted, the seat was held by the Conservative Party with Sir Brandon Rhys Williams polling 14,818 votes, followed by the Labour candidate with 10,371 votes, and the Alliance[1] candidate with 5,379 votes.

State of the Parties

Following the by-election, the state of the parties in the House of Commons is now as follows:

Conservative	374
Labour	226
Social and Liberal Democrats	19
Social Democratic	3
Scottish National	3
Plaid Cymru (Welsh Nationalist)	3
Ulster Unionist (Northern Ireland)	9
Democratic Unionist (Northern Ireland)	3
Ulster Popular Unionist (Northern Ireland)	1
Social Democratic and Labour (Northern Ireland)	3
Sinn Fein (Northern Ireland)	1
Leith Labour Party[2]	1
TOTAL	646

[1]The Liberal Party and the Social Democratic Party fought the 1987 general election as the Liberal-Social Democratic Alliance. In March 1988, the two parties merged to form the Social and Liberal Democrats, though a separate Social Democratic Party continues to exist (see p 94).

[2]Mr Ron Brown, MP for Edinburgh, Leith, who was suspended from membership of the Parliamentary Labour Party in May for a period of three months.

The four remaining seats are held by the Speaker of the House of Commons and his three deputies (the Chairman of Ways and Means and the first and second Deputy Chairmen of Ways and Means) who do not vote except in their official capacity in the event of a tie. The government majority over all the other parties is 102 although the Sinn Fein MP has not taken his seat.

Official Secrets Act: Proposals for Reform

Proposals to replace Section 2 of the Official Secrets Act with a new law strictly confined to prohibiting the disclosure of official information harmful to the public interest are contained in a White Paper[1] published on 29 June.

Section 2 of the Official Secrets Act 1911 makes it an offence for any person to disclose without authority any information acquired by Crown servants or government contractors in the course of their duties. The scope of this law has long been recognised as being far too wide, but in the past there has been no general agreement on how to reform it. The first major initiative to devise an effective and enforceable alternative to Section 2 came with the publication in 1972 of a report by the Franks Committee (see pp 404-5, 1972), which recommended that only a narrower range of specified official information should be protected by the criminal law; in 1978 a White Paper was published setting out proposals for legislation based on this approach (see pp 278-9, 1978). A Bill introduced in the House of Lords in 1979 closely followed the 1978 White Paper proposals. This, however, was withdrawn by the Government which felt that there was little chance of its commanding general acceptance, mainly because of criticisms concerning proposals for disclosure of information on security and intelligence matters and for ministers to certify conclusively that disclosure would be likely to result in serious damage to the nation's interests.

The Government proposes no amendment to Section 1 of the Act, which deals with espionage

[1]*Reform of Section 2 of the Official Secrets Act 1911*. Cm 408. HMSO, £2·60. ISBN 0 10 104082 2.

activities carried out with the specific purpose of prejudicing the safety or interests of the State.

WHITE PAPER PROPOSALS

Under the proposals, it would no longer be a criminal offence to divulge any item of official information without authority. Only a very small amount of official information, disclosure of which would cause unacceptable harm to the public interest, would continue to be protected by the criminal law. It would be for the courts, rather than ministers, to decide whether harm would be likely to arise, and so far as those who are not Crown servants are concerned, the prosecution would need to prove that the defendant knew or had reason to believe that such damage would be likely to result. In England and Wales defendants would be able to elect to be tried before a jury; in Scotland, the Crown determines whether a case is sufficiently serious to warrant a jury trial. In order to create an offence under the proposed legislation, disclosure should both be from a narrow group of categories of official information and, in most cases, satisfy specific tests of harm caused. The categories would be:

Defence. In this case, the prosecution would have to prove that disclosure would be likely either to prejudice the capability of the armed forces to carry out their defence tasks or to lead to a risk of loss of life, injury to personnel or damage to equipment or installations, or to prejudice dealings between the British Government and the government of another state or an international organisation.

Security and Intelligence. In the case of people who are not members or former members of the security and intelligence services, the prosecution would have to show that disclosure would be likely to damage the operation of the security and intelligence services or that the information concerned was of a class or description the disclosure of which would be likely to cause such damage. Regarding members and former members of the security and intelligence services, the Government proposes that all unauthorised disclosures should be unlawful because 'they carry a credibility which the disclosure of the same information by any other person does not, and because they reduce public confidence in the services' ability and willingness to carry out their essentially secret duties effectively and loyally'. Offences in this category would also encompass circulation of misinformation, and they would apply to people – certain members of the armed forces, for instance – who worked closely with the security and intelligence services.

International Relations. Disclosure would be an offence if it would be likely to jeopardise or seriously obstruct the promotion or protection of Britain's interests abroad, or prejudice dealings between the Government and the government of another state or an international organisation, or endanger the safety of a British citizen.

Information Received in Confidence from Other Governments or International Organisations. Unauthorised disclosure of any information in this category would constitute a criminal offence. Such disclosure would disrupt relations with overseas governments and international organisations, making them reluctant to provide information and reducing their willingness to protect Britain's secrets.

Information Useful to Criminals. Unauthorised disclosure would be unlawful only if the prosecution could prove that the information would be useful in the commission of offences or to terrorists, or in helping a prisoner to escape from custody.

Interception of Communications. The Government believes that no information relating to the process of interception could be revealed without damaging the process, nor could any information obtained from the process of interception be disclosed without assisting terrorism or crime, damaging national security or seriously breaching the privacy of individuals.

HOUSE OF COMMONS DEBATE

Government View

Opening the debate in the House of Commons on 29 June (*Hansard*, Vol 136, No 176, cols 365-81), the Home Secretary, Mr Douglas Hurd, said that the Government had aimed to bring in proposals that were effective, enforceable and reasonable. It had taken careful note of criticisms levelled at the Bill introduced in 1979 and of comments and suggestions made since then. The scope of the proposed legislation would be restricted to the very small amount of official information that it was in the nation's interest to keep secret; other information which could not be revealed without breaching the trust between ministers and government officials, or which servants of the Crown had been instructed not to disclose, would continue to be protected by normal disciplinary arrangements. The Government did not propose that the criminal law should any longer apply to, for example, economic information, Cabinet documents and ministerial correspondence in general; nor would it be necessary for information received in confidence from individuals and firms to be covered.

While it would be an offence for any person to divulge any information relating to or obtained by interception, any information received in confidence from overseas governments and international organisations and any information likely to be of use in the commission of a crime or in helping a prisoner to escape, the Government proposed that disclosure of information falling in the defence and international relations categories should only be unlawful if it would be likely to result in specified damage to the national interest. Tests of damage set out in the White Paper were narrower and more specific than the broad test of serious injury to the interests of the nation suggested by the Franks Committee and adopted in the 1979 Bill. For information concerning security and intelligence a distinction would be drawn between those whom the nation trusted to carry on their work in complete secrecy and those outside the fields of operation of the security and intelligence services.

The abandonment of the idea of ministerial certifi-

cates and the introduction of specific tests of harm for the courts to determine represented major changes from previous proposals. They also precluded the necessity for a general defence of prior publication (the Government is of the opinion that there are circumstances in which disclosure of information in the proposed categories could be harmful even though it had previously been revealed) and a general defence that publication would be in the public interest (which would, in the Government's view, introduce uncertainty into the law and undermine the general principle that the criminality of an act should be determined by the harm that the perpetrator knows is likely to result rather than the motive for committing it).

Mr Hurd went on to say that the Government's proposals constituted a considered attempt to find the basis for a wide measure of agreement in replacing Section 2. If carried into effect they should dispel any notion that the criminal law was being used to protect information simply because its disclosure would be embarrassing to governments, still less merely because it was official information. Nevertheless, the law should firmly address the problem of unauthorised disclosures that were truly damaging to the public interest and should provide clear and enforceable definitions and procedures to enable this to be done.

Opposition Views

Speaking for the official Opposition, Mr Roy Hattersley said that the White Paper proposals would not do away with arbitrary and unjustified application of the official secrets law. While he welcomed the proposed removal of the 'omnibus' clause covering every item of government information, he expressed concern about the proposals relating to the security services, which he said should be subjected to general parliamentary scrutiny; instead, the proposals would mean that people revealing any information concerning security would automatically be liable for criminal proceedings and that ministers would be able to include in this category any item of information they chose. Mr Hattersley also criticised the absence of a 'public interest' defence and a 'prior publication' defence.

For the Social and Liberal Democrats, Mr David Steel welcomed the proposals for the introduction of specific tests of harm for the courts to determine and the abandonment of the notion of ministerial certificates. However, he regretted the lack of a specific public interest defence.

Civil Justice Review

A number of reforms in the civil justice system in England and Wales designed to reduce delays in the handling of cases, to simplify procedures regarding smaller cases and to reduce costs of litigation are outlined in the report of the Review Body on Civil Justice published in June.

The review[1] was set up by the Government in February 1985 and the report is an advisory document for consideration by the Lord Chancellor and the Government before any legislative changes take place. The advisory committee responsible for producing the report also engaged consultants to conduct factual studies on the five main areas of civil justice – personal injuries, small claims, debt, housing and commercial cases – and consultation papers were published on these topics in 1986 and 1987.

The report concludes that under the present system delays in the settlement of cases have undermined justice and have denied compensation to those who are entitled to it until long after it is most needed. Fear of costs, too, has also been one of the greatest deterrents to using the courts.

Welcoming the report on 4 July, the Lord Chancellor, Lord Mackay, said that its recommendations were practical ones designed to give effect to important principles and to deal with clearly identified problems. They were an impressive tool for the effective reform of the civil justice system and his department was now examining them in detail.

The Present System

In England and Wales the more substantial civil cases are dealt with by the High Court, whereas the 274 County Courts handle cases where in general the amount in issue does not exceed £5,000. Although smaller cases can be started in the High Court, there is a system of penalising plaintiffs in such cases by limiting the costs they can recover in the High Court, thus encouraging them to use the County Court. High Court trials take place at the Royal Courts of Justice in London and at 26 provincial trial centres. Most of the office business of the High Court is handled in the 134 district registries, each of which is attached to and housed in the same building as a County Court. The High Court has the power to transfer a pending case for trial to the County Court; this may be done either because it appears that the amount likely to be recovered will not exceed the County Court jurisdiction limit or because the case does not appear to raise an important question of law or fact. If a case is transferred down, the County Court has power to award damages above the normal £5,000 limit. The County Court also possesses a corresponding power to transfer cases up on grounds of importance.

Appeals from the County Court and from the High Court are considered by the Court of Appeal (Civil Division) and the final appellate forum is the House of Lords in its judicial capacity.

In both the High Court and the County Court there are two tiers of judiciary – those who hear trials of contested actions and those who deal mainly with interlocutory matters. In the High Court, trials are heard by High Court judges, while interlocutory matters are dealt with in the Royal Courts of Justice by masters and in the district registries by district registrars who have the same powers as masters and are also County Court registrars. In the County Court, trials are heard by circuit judges and interlocutory matters by County Court registrars. County Court registrars also have power to conduct trials where the amount in issue does not exceed £1,000.

[1] *Civil Justice Review.* Report of the Review Body on Civil Justice. Cm 394. HMSO, £11·80. ISBN 0 10 103942 5.

Civil proceedings in England and Wales are instituted by the aggrieved person. Actions in the High Court are usually begun by a writ of summons served on the defendant by the plaintiff stating the nature of the claim. A defendant intending to contest the claim informs the court. Documents setting out the precise question in dispute – the pleadings – are then delivered to the court. County Court proceedings are initiated by a summons served on the defendant by the court and subsequent procedure is simpler than in the High Court. Almost all civil actions are heard without a jury.

Alongside these formalities, the very important informal process of seeking a negotiated settlement usually continues. Since they are a private matter, civil proceedings can be abandoned or settled out of court by compromise at any time.

Scope for Reform

The report points out that worthwhile reductions in delay and cost require reforms affecting the allocation of business to particular courts, the procedure for handling cases by parties, their lawyers and the courts, and the management of court resources. It concludes that much of the work in the High Court is of middling or low importance, complexity or substance, and that this delays the hearing of more substantial cases which need to be tried at High Court level. Arrangements for distributing business between the High Court and County Court and between registrars and Circuit judges 'need to be such that High Court judges can concentrate their expertise on work of real importance, complexity and substance, while Circuit judges are allocated work of a substantial nature'. At County Court level the trial jurisdiction of registrars should provide them with a wide range of responsibility appropriate to their skill and experience, thereby enabling Circuit judges to concentrate on weighty cases.

Noting that English civil procedure is adversarial and oral, the report says that delays caused by adversarial conduct of pre-trial proceedings could be reduced by the early exchange of written material, including witness statements; this would facilitate earlier settlements where appropriate and enable trials to concentrate on the main issues.

The Courts

Rejecting the case for a single civil court, the report argues that some cases need to be handled at High Court level by judges with specialist expertise; these cases would include public law and other specialist cases and general list cases – mainly debt and personal injuries – of importance, complexity and substance where the amount in issue exceeds £25,000. The County Court would continue to have its own specific function in relation to small claims, housing and debt remedies.

The report recommends that there should be no upper limit of County Court jurisdiction, that there should be a single point of entry in the County Court for personal injury cases, and that the general trial jurisdiction of County Court registrars, concurrent with that of Circuit judges, should be increased to £5,000. In addition it suggests that the upper limit of small claims arbitration jurisdiction by registrars should be raised to at least £1,000; it also believes that small claims jurisdiction should be increased to enable a larger number of small cases to be settled as swiftly and as economically as possible.

On the transfer system between the two courts, the report says that applications to set down for trial in the High Court, other than those in public law cases, should be examined to see that they comply with the criteria of substance, importance or complexity, and that those not complying should be transferred to the County Court; under the supervision of presiding judges, cases within a band above £25,000 but not exceeding £50,000 should be allocated flexibly between High Court and County Court.

Court Procedures

Turning to procedures, the report suggests that, subject to a few exceptions, all civil proceedings should begin with a document called a writ which should state whether it has been issued in the High Court or County Court. Once an action becomes defended, the report believes that the normal permitted period between issue and service of process should be four months and that this period should be reviewed from time to time to see whether it can be shortened. In order to reduce delays, the court should control case progress and there should be provision for exchange of witness statements within a fixed period before the case comes to court; either party could apply to the court to order early exchange. The parties to an action should be obliged to organise and summarise case papers to assist the judge who would pre-read relevant material either before the start of the trial or after the opening by counsel and before evidence is heard. Existing County Court targets aimed at reducing the delay before trial should be maintained and reduced where possible, and targets for the High Court should be adopted and published.

Access to Justice

The report points out that ease of access for the public is an important test of the effectiveness of the civil justice system and says that tangible improvements should be made to overcome the imbalance between represented and unrepresented parties, difficulties with forms and booklets, fear of cost and failure by defendants to take part in proceedings. It recommends a more interventionist approach by the judiciary in cases where either or both parties are not represented, and stresses the need for a wider availability of lay representation. (Under the County Courts Act 1984, rights of audience are only conferred upon barristers, solicitors and litigants in person). Litigants in small claims cases and in debt and housing cases proceeding in the County Court should have a statutory right to be assisted or represented by a lay representative of their choice, subject to the discretion of the court.

Noting that forms – the principal channel of communication between courts and litigants – have been criticised for the use of archaic or specialist language, the report recommends that all forms should be produced centrally and standardised and that they should be written in plain English avoiding technical legal terminology. Information provided to litigants in small claims, debt, housing and personal injury cases should be reviewed and simplified or expanded as appropriate, and a list of local advice

agencies should be sent out with each summons in these types of case.

On the cost of actions, the report says that individual litigants with cases involving small amounts of money should not be expected to incur the cost of seeking legal advice where this is likely to exceed or be disproportionate to the amount at stake. The staff of the court should advise on the remedies available, the procedure for pursuing these remedies and the precise manner in which court forms should be completed.

Recognising the valuable role played by various independent advice agencies such as the Citizens Advice Bureaux or housing aid centres, the report recommends that registrars and court officials should be available to advise agencies' staff on court procedures and that agencies should seek more training and greater experience for their staff in assisting litigants to present their cases; it also believes that agencies should be encouraged, whenever business justifies it, to have duty representatives either permanently or occasionally available at courts, and that those agencies maintaining a regular presence at courts and providing representation to clients should be eligible for funding in respect of such services from the new Legal Aid Board.

Court Administration

On judicial administration, the report says that judicial teams handling civil business on circuit should be strengthened and should include resident judges at individual County Courts or groups of courts. In addition it proposes that there should be published objectives for court staff setting out the standard of service required, that a detailed civil justice training plan should be drawn up for court staff, and that computer facilities for the management of lists and individual cases should be made available as a matter of priority. It also believes that there should be a substantial expansion of judicial training in civil business and that preparation of manuals on civil jurisdiction should be set in hand.

The European Community: European Council

The completion of the single internal market by 1992 and economic and monetary co-operation in Europe were the main subjects discussed at the European Council's meeting in Hanover on 27 and 28 June. The Council also discussed several matters of European political co-operation. Britain was represented at the meeting by the Prime Minister, Mrs Margaret Thatcher, and the Foreign and Commonwealth Secretary, Sir Geoffrey Howe.

Prime Minister's Statement

Reporting on the meeting to the House of Commons on 30 June (*Hansard*, Vol 136, No 177, cols 525-6), the Prime Minister said that one-third of the measures in the European Commission's White Paper on the single market[1] had now been agreed. Agreements reached in recent weeks covered a number of subjects of particular interest to Britain: the full liberalisation of capital movements for most European Community countries by 1990, the mutual recognition of professional qualifications, and the opening up of the road haulage market by the progressive abolition of lorry quotas.[2] The Council had agreed that over the next 12 months priority should be given to decisions on opening up public purchasing; further liberalisation of banking and other financial services; common standards for manufactured products; and registration of patents and trade marks throughout the Community. The list did not include the harmonisation of indirect taxes, where the Council simply noted the further studies set in hand by economic and finance ministers. The Government's view was that such harmonisation was not necessary for the completion of the single market.

In considering the social aspects of the single market, the Council had noted that removing obstacles to growth offered the best prospects for creating jobs and spreading prosperity. It had also encouraged better protection for health and safety at the workplace, and easier access to training. The Council had reaffirmed the objective of enabling citizens of the 12 member states to move freely throughout the Community, but also stressed the need for effective measures to combat terrorism, drug abuse and organised crime. The growing recognition of the need for effective safeguards in this area was very satisfactory, Mrs Thatcher said.

In the field of economic and monetary co-operation, the Council had agreed to establish a committee of the governors of the central banks, appointed in their personal capacity, and a number of additional designated members, chaired by the President of the Commission. The committee's task would be to study and propose concrete steps towards the progressive realisation of economic and monetary union, a goal set out in the preamble to the Single European Act (see pp 143-4, 1986). It would report through the Council of Economic and Finance Ministers to the meeting of the European Council in Madrid in June 1989.

Mrs Thatcher said that the Community's foreign ministers had discussed a number of political co-operation subjects, concentrating particularly on East-West relations, Afghanistan, the Middle East, South Africa and Latin America.

The Prime Minister concluded by observing that the important decisions taken at the meeting of the European Council in February on budget discipline and agriculture (see pp 99-100) had now been translated into binding legal instruments.[1] She said that the outcome of the Council had been very satisfactory for Britain. It had confirmed that the way forward in Europe lay in the creation of wealth and jobs, as obstacles to trade and burdens on business were steadily removed.

European Political Co-operation

The European Council also issued political co-operation statements on East-West relations, Afghanistan, the Middle East, South Africa, Southern Africa, and Latin America.

[1]A Bill for implementing these Council decisions in Britain received its first reading in the House of Commons on 1 July.

[1]The European Commission's White Paper of 1985 on completing the internal market, which was adopted by the European Council at its meeting in Milan in June 1985 (see pp 223-6, 1985), introduced a timetable for dismantling barriers and achieving a true single market, year by year, between 1986 and 1992.

[2]These matters were discussed at meetings of the Council of Ministers in June. On capital movements, it was agreed that from July 1990 (December 1992 in the cases of Spain, Greece, the Irish Republic and Portugal) currency and capital must be free to circulate freely between member states, which are also pledged to endeavour to achieve the same degree of liberalisation in their relations with third countries. In the field of professional qualifications, the Council reached agreement on a general system for the recognition of higher education qualifications awarded on completion of professional education and training of at least three years' duration. Regarding road haulage, a regulation was adopted providing for the abolition of all quotas for traffic carried by road hauliers between member states and outside the Community in January 1993. From that date, transfrontier carriage of goods by road within the Community will be governed by a system of Community licences issued on the basis of qualitative criteria.

East-West Relations

The Council welcomed the evidence of increased confidence and co-operation in relations between the United States and the Soviet Union shown at the Moscow summit (see pp 191-3). The Twelve were willing to work for further progress in negotiations on arms control and disarmament, and looked for continuing progress towards the peaceful resolution of regional conflicts, universal respect for fundamental human rights and the free exchange of people and ideas. The Council also welcomed the more outward-looking attitude being shown by Eastern European countries in their economic contacts with the West, as witnessed by the establishment and development of relations with the Community.[1] It called upon other states participating in the Conference on Security and Co-operation in Europe (see pp 159-61) to join in an effort to conclude the meeting in Vienna with a substantive and balanced document permitting significant progress in all areas, in particular in the human dimension. A successful conclusion of the Vienna meeting would make possible an early start of negotiations on the establishment of a stable and secure balance of conventional forces in Europe at a lower level, and on further security and confidence-building measures.

Afghanistan

The Council called upon all concerned to implement fully the peace process set out by the Geneva agreements on Afghanistan (see pp 164-6), expecting the Soviet Union to complete the withdrawal of its troops in accordance with those agreements. It supported all efforts to establish a representative government in Afghanistan formed in a process of self-determination in which the resistance had a full part to play. The Community and its member states were ready to provide humanitarian assistance under the programme to be carried out by the United Nations Co-ordinator, non-governmental organisations and the International Committee of the Red Cross for the voluntary repatriation and resettlement of refugees and displaced persons. They were also prepared to provide reconstruction assistance for Afghanistan after the formation of a representative government and the establishment of internal peace.

Middle East

The Council expressed its concern at the increase in tension in the Middle East, stating that the status quo in the Occupied Territories could not be maintained. The Twelve would continue to work towards the early convening, under UN auspices, of an International Peace Conference to bring about a comprehensive, just and lasting peace in the region. They deplored the fact that, nearly one year after its unanimous adoption by the UN Security Council, Resolution 598 (see pp 253-4, 1987) on the Iran-Iraq war had not yet been implemented, and they condemned the use of chemical weapons, renewing also their commitment to uphold the principle of freedom of navigation in the Gulf. The Twelve confirmed the importance they attached to the orderly and legal conduct of the forthcoming presidential election in Lebanon and reiterated their strong appeal for the immediate release of all hostages still being held there. The recent signature of the co-operation agreement with the Gulf Co-operation Council[1] and the intensification of relations with its members were welcomed.

South Africa and Southern Africa

The Council noted with great concern that relations between the Twelve and South Africa ran the risk of being worsened even further and in this respect it urged that all legal options available in South Africa, including if necessary the grant of clemency by President Botha, should be used to prevent the death penalty from being carried out against the 'Sharpeville Six'.[2] The Council issued a strong appeal to the South African authorities to free Nelson Mandela and all other political prisoners, and confirmed that the enactment in South Africa of a proposed bill designed to deprive anti-apartheid organisations, striving for peaceful change, of financial support from abroad would place additional strain on the relations of the Twelve with South Africa. The Twelve also recalled their established position concerning Namibia and supported the current efforts to secure peace for Angola and independence for Namibia on the basis of UN Security Council Resolution 435 (see p 351, 1978).

Latin America

The Council underlined the fundamental importance of the rule of democracy and the normal functioning of democratic institutions as a key factor for stability in Latin America. The continuity of the peace process in Central America (see p 348, 1987) was essential for achieving peace, justice and the observance of human rights in the whole region, and the Twelve remained determined to provide continued support for this process.

[1]The Community established official relations with the Council for Mutual Economic Assistance (Comecon) in June 1988.

[1]In June 1988 the Community signed a trade and economic co-operation agreement with the Gulf Co-operation Council.

[2]Five men and one woman who are currently appealing against the death sentence after being convicted of sharing a 'common purpose' in the killing of the deputy mayor of Sharpeville in September 1984.

British Aid to Developing Countries

Britain's aid policy, its programmes for emergency relief and assistance to refugees, and its contribution to improving health in developing countries were the principal themes of speeches made in June by the Minister for Overseas Development, Mr Christopher Patten.

FUTURE AID POLICY

In a speech in Washington on 7 June, Mr Patten said that the basic structure of aid provision had taken shape during the 1960s when bilateral aid programmes were established by the richer countries

and the multilateral aid system was also developed. The International Development Association (IDA) was established as part of the World Bank Group to provide long-term development assistance to the poorest countries on highly concessional terms. The UN Development Programme for the central funding of UN technical co-operation was also formed, and UN specialised agencies reoriented their work towards the development problems of the poorer countries.

At that time, Mr Patten continued, there was considerable optimism about what could be achieved, especially among the leaders of newly independent countries, many of whom believed that they could allocate resources efficiently and achieve rapid development through state planning and intervention. The same leaders were suspicious of foreign investors, and much industry and plantation agriculture were taken into the state sector, often because they were foreign owned, while new state industries were developed because it was said that the indigenous private sector lacked the capacity to run them. The private sector itself was often hamstrung by state intervention that required government approval before it could make new investment, increase prices or lay off workers. This, Mr Patten stressed, was hardly the environment in which initiative and enterprise could flourish. Moreover these mistakes had been made worse by the recession of the early 1980s, the decline in commodity prices and, in some instances, corruption and civil war.

Successes

However, the minister pointed out that there had also been remarkable successes, including considerable improvement in some of the basic indicators of human progress: between 1950 and 1980, for example, average life expectancy for people in all developing countries rose from 42 to 59 years, and infant mortality among children aged from 1 to 4 declined from 28 per thousand to 12 per thousand. Whereas in 1950 only one-third of all adults in developing countries were classed as literate, by 1980 the proportion was 56 per cent. Some countries had done better than others in improving the quality of life of their populations, and for some countries the need to adjust to changed economic circumstances in recent years had made it difficult to make further progress or even to maintain past achievements. Nevertheless these achievements were considerable, probably more substantial than anything achieved by the donor countries over a similar period in the past.

International Aid Programmes

Financial and technical assistance to developing countries was now considerable, some $37,000 million a year. In 1986 aid from the European Community, one of three main groups of donors, totalled $16,000 million (0·51 per cent of gross national product (GNP)) and was directed largely at Africa and Asia, and this aid was likely to continue to grow in real terms. The other groups of donors were the United States which gave $10,000 million (0·23 per cent of GNP) in 1986, with over 30 per cent of its bilateral aid going to Israel and Egypt; and Japan, which gave almost $6,000 million (0·29 per cent of GNP) of assistance mainly in the Far East, including some of the stronger Asian countries.

Another donor bloc was the Soviet Union which gave aid estimated to be worth over $3,000 million in 1986 to a few client countries, on relatively hard terms and often for industrial projects. Although the West was rightly suspicious of Soviet motives, there were signs that *perestroika* (restructuring) inside the Soviet Union was leading to some questioning of its aid policies. Britain welcomed the Soviet decision recently to provide 250,000 tons of food aid to Ethiopia.

Aid and Trade

The future role for aid had to be considered in the wider context of the world economy, Mr Patten said. Access to markets remained the key to economic growth, and protection did not confer benefits, only costs. The so-called industrialised countries had expanded agriculture and depressed world prices by subsidy and protectionism, while the so-called commodity producing countries, where agriculture was the main livelihood for the majority of their populations, had too often discouraged agriculture by imposing low prices and taxes on farmers. Nearly half of farmers' incomes in OECD countries resulted from government support in one form or another. Significant steps had been taken to control agricultural support, notably by the European Community in February 1988 (see pp 99-100) and by the United States and Japan, but these measures were clearly not enough. Britain would look to the mid-term meeting of the General Agreement on Tariffs and Trade (GATT) in Montreal to give a further impetus to liberalising world agricultural markets.[1]

Debt Relief

Continuing, Mr Patten said that 'even the most generous aid policies by donors and the most effective and courageous policies by the recipient government will not promote sustainable growth unless the debt problem is solved'. Third World debt was over $1,000,000 million, about half of which was in Latin America and sub-Saharan Africa. Latin America's debt of some $400,000 million was mainly commercial bank debt, which needed to be managed on a case-by-case basis. There had been encouraging developments recently in the negotiation of voluntary market-based solutions between middle-income countries and the commercial banks. It would also require the guiding hand of the International Monetary Fund (IMF) and a well-resourced World Bank. It was in the middle income countries in particular that direct foreign investment could play a larger role. Britain's net direct investment in developing countries had been buoyant in recent years at about $2,000 million per year; in 1985 this accounted for one-third of the total from all OECD countries and was double that from Japan or the United States.

[1]The eighth round of GATT multilateral trade negotiations (the Uruguay Round) was launched in September 1986. It is scheduled to last for four years and aims to achieve further liberalisation and expansion of world trade; the negotiations will pay particular attention to strengthening the GATT and to trade in agricultural products and in services (see pp 328-9, 1986).

Much of the $100,000 million of debt owed by sub-Saharan Africa was official debt to multilateral institutions and national export credit agencies, Mr Patten explained. It had to be recognised that, for the poorest and most heavily indebted countries of sub-Saharan Africa, bilateral creditors would not be paid in full and that new initiatives had to be agreed internationally sooner rather than later. This was why Britain attached such importance to its three-point initiative for dealing with African debt (see pp 315-16, 1987), advocating the conversion of aid loans into outright grants which Britain and some other countries had almost completed, longer rescheduling periods for other bilateral official debt, and interest rate relief on the rescheduled debt of those countries pursuing sensible economic programmes.

The poorer countries of sub-Saharan Africa would continue to require very substantial amounts of aid in the 1990s. Many of these had embarked upon painful structural adjustment and policy reform programmes which would take time to take effect. Although they would be unable to attract or service commercial capital for the foreseeable future, their external funding needs would be very substantial if they were to reconstruct their economies and have any prospect of raising living standards. The large poor countries in Asia would also require substantial aid in the 1990s if they were to overcome the problems of poverty. 'The quality of our aid effort in future should be judged more closely by the extent to which it is directed towards the poorest countries that really need it.'

Britain's Aims

Britain's main aim, Mr Patten said, was to achieve 'sustainable development'. Sustainability meant achieving demographic change: that is, carrying through the transition from a high birth rate and relatively low death rate in which populations grew rapidly, to a low birth rate and low death rate in which population growth could be contained. It meant care for the environment if large groups of poor people struggling for existence in an increasingly fragile environment were to survive. Sustainability also involved transferring skills so that today's investments lasted long enough to bring the benefits anticipated in the future. Development, on the other hand, was about improving the basic quality of life of the mass of the population, providing access to education, and bringing people the opportunity to use initiative and enterprise in the improvement of living standards and the opportunity to take part in the decision-making process of government.

Discussing the guiding principles for aid, Mr Patten said that aid had to be effective in contributing towards economic and social progress. The effectiveness of one donor's aid programme could frequently depend upon the efforts of other donors, each of which had a responsibility to the others mutually to reinforce aid effectiveness.

A necessary if not sufficient condition for aid to be effective was that policies supported by donor countries should be well founded, the minister continued. Many developing countries could no longer ignore the issue of policy reform 'if there was to be any prospect of material progress in the years ahead', or the key role that the World Bank had to have in helping them formulate adjustment programmes.

Part of the adjustment process had been to reduce state intervention and to allow the private sector to flourish, thereby giving greater scope for individual enterprise and initiative. This recognised that the private sector was usually better than the public sector at creating wealth and the role of aid was to support this through discussion and technical assistance. The creation of wealth was essential if the resources were to be found to improve public provision of social services to the poor. It was also important for the poor to be given access to assets which would allow them to participate in the wealth-creation process. Aid had to be concerned with promoting economic growth and in that way help finance basic infrastructure improvements and strengthen key public institutions. It could and should also be used to help the poor directly.

Care for the environment, Mr Patten underlined, was no longer a luxury. The poorer countries had much more fragile ecosystems, which once destroyed could not easily be restored. They were coming under threat as rapidly growing populations produced more pressure on fertile lands and spill-over into more marginal areas. They were also coming under threat from the commercial exploitation rather than the husbanding of natural resources. In assisting development the West had to ensure that natural resources were properly husbanded so that they were capable of renewal and of sustaining the people who would continue to depend on them. He hoped that the Washington-based institutions (the World Bank and the International Monetary Fund) would improve the design of structural adjustment programmes to take account of their social impact and the environmental implications of aid.

On the role of the UN in technical co-operation, Mr Patten said that far-reaching improvements were needed in agencies like the Food and Agriculture Organisation (see pp 406-8, 1987) and in the UN itself. In one case,[1] Britain and the United States had both decided that they were getting nowhere and had left, while in others headway was being made. 'If effectively structured, the UN system can provide an unparalleled range of technical advice, training and support, and authoritative leadership, drawn from all over the world, to meet very particular and urgent needs.'

REFUGEES AND EMERGENCY RELIEF

Speaking to the Carnegie Council in New York on 9 June, Mr Patten said that the scale of refugee problems today raised fundamental issues with which bilateral and multilateral donors had to come to terms. There were over 12 million refugees who were the casualties of war, of intolerance and of acute political unrest. People became refugees as a result of a well founded fear of being persecuted for reasons of race, religion, nationality or membership

[1] In December 1986, Britain and the United States withdrew from the UN Educational, Scientific and Cultural Organisation because progress towards reform within the organisation fell short of the minimum which would justify continued membership (see p 383, 1985, and p 145, 1986).

of a particular social group or political opinion. In addition people fled their homes for economic reasons such as unemployment, bad housing or other marked social or economic disparities, in order to find better opportunities elsewhere. Large-scale natural disasters were also a cause of migration either within a country or across country boundaries. When all these factors combined, as they did in many countries, they created problems of unparalleled complexity and intensity. The difficulties involved in resolving these could be illustrated by reference to Britain's own programmes of humanitarian assistance to Ethiopia and Sudan, Mozambique and Afghanistan.

Ethiopia and Sudan

One of the poorest countries in the world, Ethiopia devoted almost 50 per cent of its recurrent budget to military and internal security expenditure. It had failed to pursue sensible agricultural policies and had engaged in the forced resettlement of parts of its population. It was therefore hardly surprising that Britain provided little direct long-term capital assistance to Ethiopia. The international community could not, however, ignore the humanitarian needs of the country and since September 1987 multilateral and bilateral agencies, as well as the non-governmental organisations, had been engaged in a massive relief operation. Britain had provided £41 million over two years for the previous famine in 1984 and 1985, and since January 1987 had provided over £45 million bilaterally and through the European Community.

This position was complicated by refugees from Sudan (as well as Ethiopian refugees located in Sudan), and the politics of Ethiopia's civil war were interfering with the relief operation. Roads were closed, food convoys had been attacked and destroyed and the relief operation put in jeopardy. As a bilateral donor Britain believed that it would be wrong to provide substantial finance for long-term development when the political environment was so uncertain. Britain could not give any assistance to the forced resettlement of Ethiopians by their Government. Together with the World Bank and the European Community, Britain had urged the Ethiopian Government to undertake essential agricultural policy reforms. Even sensible agricultural and economic policy reforms could not, however, staunch the wounds of the continuing civil war and, as yet, there had been little to show for efforts to promote a solution to the civil wars in the Horn of Africa.

Mozambique

Mozambique, noted Mr Patten, was also an impoverished country suffering the trauma of a bloody civil war, exacerbated by poverty, famine and drought. The international community had responded with a major international humanitarian effort; Britain's own emergency assistance in 1987 had totalled £20 million, including a share of European Community aid. It had also committed £20 million in long-term bilateral aid and had allocated £45 million to the Southern African Development Co-ordination Conference, much of which would be spent in Mozambique (see pp 46-7). A further £8·5 million in food and other emergency aid was being provided in 1988, most of which was being channelled through non-governmental agencies. Assistance had also been given to Mozambican refugees in Malawi.

The international community and the countries of Southern Africa had to examine how best to respond to the humanitarian crisis in Mozambique and work to eliminate its underlying causes. The keys to peace in the region were economic development and, above all, the elimination of apartheid in South Africa (see pp 103-5). 'We want to see it replaced by a non-racial representative system of government in South Africa. The questions on apartheid are not if it is going to be ended but when and how it will go.' Britain would do whatever it could to encourage South Africa and its neighbours to reach understandings that could help the region along the path to greater stability and to start the long and difficult work of repairing the effects of war on agricultural land and food production.

Afghanistan

Turning to Afghanistan, Mr Patten said that the international community faced the enormous task of resettling over 5 million refugees and 2 million people displaced internally. Some had fled for political reasons but most because life had become untenable. The refugees would return to destitution since there were no crops, food or infrastructure and all too many unexploded bombs and landmines. Britain would play its full part in the international relief effort and since 1979 had provided £50 million for Afghan refugees. Once the Geneva peace accords were signed (see pp 164-6), Britain was the first to announce a new contribution of £10 million for the relief effort in 1988; most of this would be channelled through the United Nations High Commissioner for Refugees, but help would also be provided to non-governmental organisations. This, however, was just the beginning of the operation, for it would take Afghanistan many years to become self-sufficient in food, to reconstruct its villages and to provide new health and educational infrastructures. At the same time, the Soviet withdrawal could be followed by major internal dislocation and displacement of people by conflict between the Kabul regime and the Mujahideen fighters.

Institutional Arrangements

The United Nations system was at the centre of international relief efforts, the largest and most important intergovernmental body being the United Nations High Commissioner for Refugees (UNHCR) whose functions were twofold – protection to ensure that refugees were treated in accordance with international agreements and that real and lasting solutions were found for refugee problems, and assistance in the form of emergency relief to alleviate refugees' plight. Britain regarded both these roles as essential and had given generously to the UNHCR's regular budget and its general programmes. In 1987 it had given nearly £18 million, and it would continue to give a high priority to refugee relief.

Britain also attached importance to the work of non-governmental organisations, giving considerable assistance for their longer-term development projects as well as for their disaster and refugee

work (see pp 258-9, 1987). Such agencies were able to operate at a grass-roots level in a way official agencies often found difficult.

Effectiveness

Turning to the question of the international community's effectiveness in handling these daunting problems, Mr Patten said that some progress had been made in the economic sphere, and economic policy reform linked to increased donor assistance was working in a positive way in several parts of the world. There were, however, limits beyond which donors could not go, particularly in the political and military spheres. Food aid had been misused as a weapon of war and generous relief efforts had been undermined for assumed political or military advantage. In some cases the provision of humanitarian assistance was itself likely to prolong the conditions in which relief would be essential for the indefinite future. 'But however acute the dilemmas with which we have been faced, we have also known that we cannot allow children to starve in order to teach bad governments and weak or wicked leaders a lesson – a point of course which those governments and leaders themselves understand all too well.'

Because there was now a much greater public awareness of the issues of refugees and disasters, it was sometimes assumed that the international community was well placed to exercise leverage over regimes abusing human rights on a massive scale, wilfully pursuing impoverishing policies or making unjustified war. This leverage, however, was very limited, since all nations cherished their right to self-determination and national sovereignty. There were therefore no ready-made or instant solutions. Each problem had to be carefully and patiently tackled on a case-by-case basis with as much diplomacy and moral authority as possible. In addition individual donors had to make greater efforts than hitherto to mobilise support for the application of discreet pressure in situations where evil or stupidity was making a bad situation worse.

Concluding, Mr Patten said that the international community had done reasonably well to provide refugees and displaced people with food, clothes, shelter and dignity in many countries of the world on such a massive scale. 'But the scale increases and the unmet need rises too. Our aim must be to provide more permanent solutions which will stop this exponential increase in human misery,' and the United Nations was the organisation best placed to give a lead in this respect: 'It is the UN which must signal that it is capable and willing to rise to this challenge. It has the legitimacy and has the competence. It can act where others dare not tread.'

HEALTH

Addressing the Royal Society of Tropical Medicine and Hygiene on 16 June, Mr Patten described how the health needs of developing countries had changed over the last decade or so. Governments had become more realistic about the resources available to them. In the health sector they were examining more effective uses for their existing investments. Improved financing and management procedures, the switching of funds from curative to preventive services, the critical analysis of the numbers and types of health personnel were now all seen as alternatives to more staff and higher budgets. This emphasis on making the most effective use of available resources was reflected in the requests Britain received for health assistance. Only in the dependencies and one or two southern African countries was Britain being asked to send doctors to run the health service. In most cases countries now wanted highly skilled advisors for short periods of time. So far in 1988 Britain had been asked to send advisors to India on health information systems, school health, occupational health and urban primary health care. Bangladesh had asked for help with nurse training, Lesotho required a rural sanitation expert and Zimbabwe an adviser on the blood transfusion service.

Aid Programme

Because poverty and ill-health went hand in hand, much of Britain's aid programme – some £1,300 million a year and rising in real terms[1] – impinged on health. Development activities in the fields of literacy, clean water and adequate sanitation, improved housing and other areas had a fundamental impact on health. A good example was the work being done with the Indian Government to improve slums in Hyderabad. Here Britain was financing basic civic infrastructure – roads, lighting, water supplies, sewerage and sanitation; help was also being given to stimulate local employment, develop community leadership and organisation, improve education for children and adults and deliver basic health care services such as immunisation and family planning.

Britain spent £40-£50 million a year on specific health and population projects and programmes. About £20 million of this was channelled through health and population programmes run by the multilateral agencies such as the World Health Organisation (WHO) and the United Nations Fund for Population Activities. Britain was also a major contributor to the United Nations Children's Fund and had given £15 million in 1987-88. The Fund's programmes of immunisation, and its broad-based activities in developing basic health services, clean water and safe sanitation, health education and improved nutrition, were all crucial elements in the British response to health needs in the tropics.

Multilateral health programmes often offered better value than separate bilateral activities. Most of the British assistance for combating AIDS in poor countries had been put into the WHO's Global Programme on AIDS (see pp 76-7); in 1988 £4·5 million had been contributed to the programme itself and £4·6 million had been pledged to individual country programmes organised under the WHO umbrella. 'We judge this will bring a quicker response to help control the disease than the time-consuming process of developing our own bilateral prevention and control programmes.'

The rest of Britain's health and population assistance, continued Mr Patten, was spent through country-to-country programmes and through a wide variety of British institutions operating in Britain and overseas. It was in these programmes that

[1] It is planned to grow by a further £73 million in 1989-90 and a further £40 million in 1990-91.

Britain had tried to respond to changing health assistance needs. It was particularly keen to do more in the field of primary health care and preventive programmes and help 'establish sustainable, affordable and relevant basic health care services for the benefit of the poorest people.' Priority was being given to programmes designed to improve the health of children and women in order to cut the number of children who died from preventable diseases like diarrhoea, measles, tetanus and acute respiratory infection.

Non-governmental Organisations

The means of effecting this change in programmes was however, a difficult matter. Since cheap remedies existed for many problems, it was necessary to perfect their deliveries, educate parents and encourage families to take responsibility for their own health. Since the community had to be more involved in planning and managing health services, there was a powerful argument for working with non-governmental organisations which were often better than government agencies at running grassroots activities. In Nepal, for instance, the Save the Children Fund ran four health projects spanning the country. All contained the same mix of activities – a service element delivering mother and child health programmes, an extension component designed to support the government services in areas such as immunisation, a training programme and operational research. The Fund's aim was not only to provide basic services for desperately poor people but also to strengthen the very inadequate national health system in the hope that it would be able to assume full responsibility for the health of the Nepali people. In Sudan the Fund was looking at alternative ways of funding the Government health service and had developed a programme based on the sale of low-cost generic drugs. Britain hoped that it could do more in projects jointly funded by the Government and British charities.[1]

To plan health assistance more carefully, the British Government had decided to concentrate its efforts in fewer countries, in which it was trying to develop strategic plans for its health assistance over the next five years. In each case it was looking at existing programmes to see if they could be fitted into a primary health care framework, as well as identifying new ventures.

Training

Britain supported a substantial training programme, £7 million being spent on bringing students to Britain to study health related subjects in an effort to support countries' efforts to rationalise their health manpower needs. Many countries, for instance, had too many doctors and their training had not prepared them to work in areas with scattered rural populations or to perform medical tasks in unsophisticated local hospitals or health centres supported by a limited number of medical auxiliaries. Britain was encouraging countries to use other types of manpower to deliver these health services and was helping to develop nursing and midwifery education and services in a number of countries, including India, Pakistan, The Gambia and Tanzania.

Funds were also being spent on finding new answers to health problems. About £1·5 million a year was contributed to the Medical Research Council's research on tropical diseases and substantial increases had been made in contributions to multilateral research programmes – the Tropical Disease Research Programme, the Diarrhoeal Disease Control Programme and the Human Reproduction Programme. Britain was looking at new ways of relating its research programmes more closely to primary health care needs.

Conclusion

Concluding, Mr Patten emphasised the key elements of Britain's policy towards health care:

1 Continued support for primary health care and preventive programmes with special emphasis on mother and child care and family planning.

2 Support for community involvement in health care, for instance, in the design of AIDS control programmes.

3 The encouragement of work on the cost effectiveness of health provision.

4 Support for the role played by women in improving health.

5 Increased emphasis on academic consultancy and advisory work, alongside research and teaching, and encouragement for newer disciplines like epidemiology.

[1]The Government's contribution to the Joint Funding Scheme, under which it normally provides half the cost of long-term development projects carried out by voluntary agencies, will amount to £10·5 million in 1988-89.

Shorter Notes

VIETNAMESE REFUGEES IN HONG KONG

On 14 June the Hong Kong Government announced that, with effect from 16 June, the great majority of boat people from Vietnam arriving in Hong Kong would be detained as illegal immigrants pending their return to Vietnam.

Refugees first began leaving Vietnam in 1975, usually by small boat, and the process has continued since then (see pp 224-8, 1979). Since 1975 over 20,000 Indo-Chinese refugees have been accepted for settlement in Britain: of these, 13,000 were Vietnamese refugees arriving from Hong Kong. Just over 600 Vietnamese refugees have been accepted for settlement in Hong Kong.

Explaining the decision to the House of Commons on 14 June, the Foreign and Commonwealth Secretary, Sir Geoffrey Howe, said that the recent sharp increase in the rate of arrivals in Hong Kong had been a matter of very great concern to the British and Hong Kong Governments. The number of Vietnamese boat people in camps in Hong Kong now stood at over 16,000, the highest level since 1980 and double the number in 1987. The flow of arrivals

showed no signs of abating and, although the Hong Kong Government had acted with commendable efficiency to establish emergency facilities to accommodate the recent influx, its resources were stretched to the limit.

Most of the refugees came from northern Vietnam and had no family links outside Vietnam. Their prospects for resettlement in the West were virtually non-existent and it was clear to the British Government that Hong Kong could no longer offer itself to this stream of people as a transit point to a future that did not and could not exist. In future, therefore, only those who could show that they were genuine refugees would be treated as such and accommodated in Hong Kong to await settlement. All arrivals would be screened on the basis of criteria[1] issued by the United Nations High Commissioner for Refugees (UNHCR) which would be able to monitor the procedures. Sir Geoffrey added: 'In taking this decision we are sending the clearest possible signal to those in Vietnam who may have purely economic motives for contemplating unauthorised departure by sea. They must understand that this is a voyage that can only lead to detention in Hong Kong and ultimately to their return to their own country.'

The British Government was seeking arrangements with the Vietnamese authorities to enable those who were found not to be genuine refugees to be sent back to Vietnam under suitable guarantees about the treatment they would receive. Britain had also urged Vietnam to take steps to reduce unauthorised departures and to take back those who had no prospect of resettlement elsewhere. Britain was also in touch with all the resettlement countries, the UNHCR and the countries of the region about the change of policy and the way forward. 'We are impressing upon the international community the need for concerted action to deal with the problem at source and to find a lasting solution to this human tragedy.'

[1]Under these criteria people become refugees as a result of a well-founded fear of being persecuted for reasons of race, religion, nationality or membership of a particular social group or political opinion.

Source: *Hansard*, Vol 135, No 168, written answers, cols 123-4.

AID TO INDONESIA

A new British soft loan facility for Indonesia worth £100 million was announced at the Inter-Governmental Group on Indonesia meeting in The Hague on 15 June.

The terms will be 3·5 per cent interest over 25 years with a seven-year grace period, and the loan will be used for development projects to be agreed between the British and Indonesian Governments over the next two years. In addition Indonesia will benefit from British technical co-operation, financial aid and debt relief, all on grant terms; this is expected to amount to more than £11 million in 1988-89.

In July 1986 Britain and Indonesia signed a £140 million soft loan agreement to finance a number of projects, including steel bridging, navigational aids, electricity, broadcasting, port facilities and railways. This is due to expire in September 1988.

Gross bilateral aid to Indonesia by Britain in the period between 1982 and 1987 was just over £112 million.

The Inter-Governmental Group meets annually in the Netherlands and the meetings are chaired by the Dutch. There are delegations from Indonesia, the World Bank, the International Monetary Fund, the Asian Development Bank, all donor countries and many observers. The meetings review recent economic and social developments in Indonesia and foreign aid requirements.

Source: Overseas Development Administration press notice, 15.6.88.

Toronto Economic Summit

The fourteenth annual summit of seven Western industrialised nations, which took place in Toronto from 19 to 21 June, reaffirmed support for a co-ordinated approach to international economic problems. Issues singled out included the multilateral trading system, the newly industrialising economies and the debt of developing countries. International political problems, terrorism and drugs were also discussed.

The summit was attended by the heads of State or Government of Britain, Canada, France, the Federal Republic of Germany, Italy, Japan and the United States, together with representatives of the European Community.

In addition to economic policy, the summit dealt with a number of political issues. The fifteenth summit will be held in France in July 1989.

In a statement to the House of Commons on 23 June (*Hansard,* Vol 135, No 172, cols 1259-60), the Prime Minister, Mrs Margaret Thatcher, said that the summit had concentrated on fundamentals such as sound financial policies coupled with incentives to encourage enterprise and reforms to remove barriers to growth. These policies, the Prime Minister said, had led to sustained growth with low inflation, increased investment and new jobs. 'The Toronto summit was therefore able to confirm that our countries are achieving unprecedented economic success.' These sound policies had been consistently followed by the British Government. As a result, Britain had been able to give a lead in securing rising living standards and a better world.

ECONOMIC DECLARATION

Recent Developments

The participants said that they had observed a sharp contrast between the 1970s and the 1980s. The 1970s had been a time of high and rising inflation, declining productivity growth, a short-term approach to policy and inadequate international co-operation. The 1980s had seen inflation brought under control, laying the basis for sustained growth and rising productivity. The result had been the longest period of growth since 1945. However, the decade had also witnessed large external imbalances in the major industrialised economies, increased volatility of exchange rates and problems of debt servicing in a number of developing countries. The summit countries had responded to these developments by increasing their commitment to international co-operation.

In the 1980s, in particular, there had been a recognition that the eradication of inflation was fundamental to sustained growth and the creation of jobs. This had been underpinned by a move away from short-term considerations towards a medium-term framework for policy as well as a commitment to improving efficiency and adaptability through increased reliance on competitive forces and structural reform. Issues singled out for particular attention had been: the need to resist protectionism and to strengthen the open, multilateral trading system; the maintenance of an effective challenge to the problems of development and the debt burden; and the world agricultural problem.

The leaders noted that, since their last meeting, their economies had kept up the momentum of growth. Employment had continued to rise, inflation had been restrained and progress had been made towards correcting major external imbalances. The maintenance of non-inflationary growth required a commitment to enhanced co-operation.

International Co-operation

The participants reaffirmed their determination to achieve a co-ordinated reduction in the growth of spending in countries with large external deficits and an expansion of demand in countries with large external surpluses. These objectives would require the co-operation of those newly industrialising economies with substantial external surpluses.

The leaders endorsed the view that excessive fluctuations in exchange rates, a further decline in the value of the dollar and a rise in its value to the extent that the adjustment process was destabilised could be counter-productive by damaging the prospects for growth.

Macroeconomic policies had to be complemented by structural reforms. The seven countries would continue to pursue these by removing barriers and unnecessary controls and regulations; increasing competition; removing disincentives to work, save and invest; and improving education and training. Agriculture was a particular problem. Increased adoption of market-oriented policies should assist in the achievement of important objectives such as the preservation of rural areas and family farming, improving standards and protecting the environment.

Financial and technological innovations were bringing about a rapid integration of financial markets and contributing to an improved allocation of capital but also increasing the speed and extent of the international transmission of economic disturbances. There would be continued co-operation between countries in the examination of the working of the global financial system.

Multilateral Trading System

A successful conclusion to the Uruguay Round of multilateral trade negotiations (see pp 328-9, 1986) would ensure an open international trading system which would stimulate trade expansion and enhanced growth. The participants called for continued resistance to both protectionism and the adoption of unilateral measures outside the framework of the General Agreement on Tariffs and Trade (GATT).

They welcomed the steady progress towards the completion of the single European market (see pp 8-9). It was their aim that such instances of regional co-operation should support the open multilateral trading system.

The leaders supported a strengthening of GATT. 'It is vital that [it] become a more dynamic and effective organisation, particularly in regard to the surveillance of trade policies and dispute settlement procedures.' GATT disciplines had to be improved so that members accepted their obligations and ensured the prompt settlement of disputes.

With trade playing a key role in development, the participants expressed their encouragement for developing countries, especially the newly industrialising economies, to increase their involvement in GATT. For their part, developed countries should continue to strive to ensure more open markets for the exports of developing countries.

With regard to agriculture, continued reform of both domestic policy and international trade was essential. There had to be the development of an approach which included short-term options in line with the long-term goals of a reduction in subsidies and controls on agricultural trade. The ultimate objective had to be to increase the responsiveness of the sector to market forces.

The participants, recognising the expanding role of international investment in the world economy, expressed their concern that increased protectionism would undermine the benefits of open investment policies. They resolved to carry out a progressive liberalisation of international investment and urged other countries to do likewise.

Newly Industrialising Economies

The leaders noted that certain newly industrialising economies in the Asia-Pacific region had become increasingly important in world trade. Growing economic importance went hand in hand with increased international responsibilities. The industrialised countries should have a constructive dialogue with the newly industrialising economies, focusing on such issues as macroeconomic policy and, within this, on questions of currency, economic structure and trade.

Developing Countries and Debt

The performance of developing countries was of increasing importance to the world economy, the participants continued. The problems of many heavily indebted developing countries were a cause for economic and political concern and could pose a threat to political stability in the developing world.

Several highly indebted middle-income countries had difficulties in servicing their external debt and in generating the investment necessary for sustainable growth. Their problems could only be overcome by a market-oriented, growth-led strategy. The leaders were encouraged that many indebted countries had begun the difficult process of macroeconomic adjustment and structural reform necessary for sustained progress, encouraging the return of capital from overseas as well as new investment flows.

The leaders endorsed the recent initiatives of the International Monetary Fund (IMF) to strengthen its capacity to support medium-term programmes of macroeconomic adjustment and structural reform and to provide greater protection for adjustment programmes from unforeseen external developments.

Commercial banks had played an important role in supporting debtor countries' efforts at reform through an expanded range of financing alternatives. The continued involvement of these banks was indispensable to the debt strategy. The IMF and World Bank could act as catalysts in mobilising additional financing from private and official sources in support of debtor countries' adjustment programmes.

International direct investment played an important role in fostering economic growth and structural adjustment in developing countries, thus contributing to an alleviation of debt problems. Developing countries, the participants argued, should welcome and encourage such investment by creating a favourable climate for it.

An increase in concessional resource flows was necessary to help the poorest developing countries – especially those with problems of debt servicing – to resume sustained g wth. Relatively large amounts would be channelled to African countries south of the Sahara (see pp 46-7 and 225-7). The leaders welcomed proposals to ease further the debt service burdens of the poorest countries that were carrying out internationally approved adjustment programmes (see p 155, 1987). Agreement had been reached on rescheduling the official debt of these countries. This allowed official creditors to choose between shorter maturities with concessional interest rates, longer repayment periods at commercial interest rates, partial write-offs of debt service obligations or a combination of these options. The participants welcomed the action of a number of creditor governments to write off or otherwise reduce the burden of certain loans; they also urged the maintenance of a high grant element in future assistance to the poorest countries.[1]

The Environment

The leaders agreed that the protection and enhancement of the environment was essential. With threats

[1]Since 1975 new British development aid to the poorest countries has been on grant terms (see p 446, 1975); in 1978 an agreement (Retrospective Terms Adjustment) was reached with many of them to write off outstanding loans.

to the environment recognising no boundaries, strengthened international co-operation was needed through the United Nations Environment Programme, the World Meteorological Organisation and other agencies. They welcomed the recent agreement in Montreal on depletion of the ozone layer (see p 247).

POLITICAL ISSUES

Among the political issues discussed at Toronto were East-West relations, the Middle East, South Africa, Cambodia, terrorism and drugs.

Political Declaration

East-West Relations

The participants confirmed their belief in constructive and realistic dialogue and co-operation regarding arms control, human rights and regional issues as the way to build stability between East and West and enhance security at lower levels of arms. They also reaffirmed that for the foreseeable future nuclear deterrence and conventional strength were the guarantees of peace and freedom.

Noting that several changes had taken place in relations between the West and the Soviet Union (see pp 191-3), the declaration said that this evolution had come about because of the strength and unity of the industrialised democracies. The greater freedom and openness in the Soviet Union would offer opportunities to reduce mistrust and build confidence and the West would respond positively to any such developments.

The participants welcomed the beginning of the Soviet Union's withdrawal of its occupation troops from Afghanistan (see pp 164-6) and stressed that this had to be total. They confirmed their willingness to make a full contribution to the international efforts to ensure the return of the Afghan refugees, their resettlement and the reconstruction of their country. 'We now look to the Soviet Union to make a constructive contribution to resolving other regional conflicts as well.'

The declaration said that the treaty on the abolition of land-based intermediate nuclear forces (see pp 251-2, 1987) set vitally important precedents for future arms control agreements, namely asymmetrical reductions and intrusive verification arrangements. The next stage was deep cuts in United States and Soviet strategic offensive arms.

The conventional superiority of the Warsaw Pact in Europe and its capacity to launch surprise attacks and large-scale offensive operations lay at the core of the security problem in Europe (see pp 196-202). The Soviet build-up in the Far East was equally a major source of instability in Asia. These threats had to be reduced. The goal had to be enhanced security and stability at lower levels of forces after the elimination of the present imbalances. The early establishment of a comprehensive, global and verifiable ban on chemical weapons was also necessary (see p 198).

Genuine peace, the declaration continued, could not be established solely by arms control but had to be firmly based on respect for fundamental human rights. Recent progress in the Soviet Union had to be enshrined in law and practice, barriers dividing people had to come down and the obstacles to emigration had to be removed. Noting the establishment of relations between the European Community and the countries of Eastern Europe (see p 225), the declaration said that East-West economic relations could be expanded and serve common interests as long as the commercial basis was sound, they were conducted within the rules of the international trade and payments system, and they were consistent with security interests.

Terrorism

The condemnation of terrorism in all its forms was strongly reaffirmed by the summit. On threats to air security it stated that terrorists should not go unpunished and appealed to all countries not party to international conventions on civil aviation security to accede to them. Support was expressed for work currently under way in the International Civil Aviation Organisation (ICAO) aimed at strengthening international protection against hijackings. They welcomed the ICAO's recent endorsement of the principle that hijacked aircraft should not be allowed to take off once they had landed.[1]

The summit reaffirmed the determination of its participants to continue the fight against terrorism through the application of the rule of law, the policy of no concessions to terrorists and their sponsors, and international co-operation.

Drugs

The declaration stated that there was an urgent need for improved international co-operation on programmes to counter illicit drug production, trafficking and financing. In particular measures were required to trace, freeze and confiscate the proceeds of drug traffickers[2] and curb money 'laundering'. It also supported the United States' initiative for a special task force to be convened to propose methods of improving co-operation in all areas including national, bilateral and multilateral efforts in the fight against drugs.

Other Political Issues

The outcome of discussion on the Middle East, South Africa and Cambodia was summarised in a separate document.

Middle East. The Toronto participants said that current violence in the Occupied Territories of Gaza and the West Bank (see pp 14-15) was a clear sign that the status quo was not sustainable. Since an early negotiated settlement to the Arab-Israeli dispute was essential, they declared their support for

[1]In April Britain proposed to the ICAO that experts should be made immediately available to conduct an investigation once a hijack was over to draw lessons from any defects in security arrangements, that expertise should be made available quickly to a state handling a hijack, that security guidelines should be strengthened, and that hijacked aircraft should not be allowed to take off once they had landed. Britain has also proposed that countries who have not acceded to the 1970 Hague Convention making hijacking a specific offence should be encouraged to do so.

On 17 June the ICAO Council issued a statement urging contracting states to ensure that a hijacked aircraft landing in their territory is detained on the ground unless departure is necessitated by the overriding duty to protect human life.

[2]The Drug Trafficking Offences Act 1986 provides for the pre-trial freezing of suspected drug traffickers' assets, backed up on conviction by immediate confiscation of the assets to the value of the proceeds of the crime (see pp 69-71, 1986).

the convening of a properly structured international conference as the appropriate framework for the necessary negotiations between the parties directly concerned (see p 357, 1987).

The continuing war between Iran and Iraq remained a source of profound concern. Support was reaffirmed for Security Council Resolution 598 (see pp 253-4, 1987) and warm appreciation was expressed for the efforts of the UN Secretary-General to work for a settlement on this basis. They reiterated their firm determination to ensure implementation of this mandatory resolution by a follow-up resolution. The use of chemical weapons by either party was condemned, the proliferation of ballistic missiles in the region deplored and the commitment to uphold the principle of freedom of navigation in the Gulf renewed.

South Africa. The summit participants declared their abhorrence of apartheid which had to be replaced through a process of genuine national negotiations by a non-racial democracy (see pp 103-5). All legal options available in South Africa had to be used to secure clemency for the Sharpeville Six (see p 225 fn), and the enactment of legislation designed to deprive anti-apartheid organisations of overseas aid would place severe strain on the relations the participants had with South Africa.

Cambodia. On Cambodia, the summit called for the prompt withdrawal of Vietnamese troops and a political settlement which would provide for Cambodian self-determination and lead to the re-emergence of a free and independent Cambodia.

Public Sector Resources

The need to make improvements in the management of public sector resources was stressed by Mr Peter Brooke, Paymaster General, in a speech to the Chartered Institute of Public Finance and Accountancy in Brighton, East Sussex, on 16 June. These improvements, which went hand in hand with the Government's stance against inflation, could take the form of privatisation or exposing public sector activities to market pressures.

Mr Brooke pointed out that the Government's fight against inflation and its approach to managing public expenditure were inextricably linked. The attack on inflation had been pursued through fiscal and monetary policy. An important element was the amount of cash borrowed or repaid by the public sector. Particular attention, therefore, had to be paid to the resources consumed by the public sector. Two consequences would ensue from excessive levels of public expenditure. First, the fight against inflation would be endangered. Secondly, with the private sector, through taxation, providing the public sector with the means of obtaining its resources, excessive taxation would leave the private sector with insufficient resources for sustainable growth.

It was against this background of the fight against inflation and the need to control public expenditure that the Government had, in 1982, changed its approach to planning the public finances (see p 123, 1982). The earlier system, of planning in volume terms – regardless of the rate of increase in the cost of inputs – had had the effect of institutionalising inflation. 'The move to cash planning and control has been an unambiguous improvement in this respect.'

However, there was also the risk of returning to volume planning by another route. A great deal of emphasis was rightly being placed on the need to identify the expected output and quality of a programme. But the Government could not be committed to output or quality targets irrespective of cost. 'It is a happy property of cash planning that a reappraisal [of output and resources] is forced on departments by the system we now have.'

Obtaining value for money, Mr Brooke continued, entailed testing traditional assumptions about what had to be done by the State. 'If we do not address these fundamental questions there is a danger that we will misdirect our enthusiasm to improve efficiency.' It was because much of the nationalised industries' expenditure was being devoted to activities that could be performed more efficiently by the private sector that the Government had instituted its privatisation programme. The Government had privatised 17 major businesses, reducing the state-owned sector of industry by almost 40 per cent (see pp 236-7). The improvements in productivity and profitability had exceeded the Government's expectations. In cases where activities were not suitable for privatisation they should, as far as possible, be subjected to market pressures. Market testing and contracting out were being applied in the Civil Service, the National Health Service (NHS) and local authorities; savings amounted to some £160 million.

The Government had been seeking to improve the managerial framework for planning and control. This required that managers should have a clear idea of their resources and targets. Managerial improvements had been an important element in the marked progress made by nationalised industries in terms of cost control, productivity and profitability.

Without commenting on the current review of the NHS, Mr Brooke stressed the importance of a closer partnership between the public and private sectors in health care. If the NHS could improve its costing and management systems and obtain value for money, an expanding private sector would present an opportunity to the NHS rather than a threat.

In central government there was 'an unprecedented programme' to improve financial management and value for money. Efficiency scrutinies and policy reviews were being backed up by measures to improve the infrastructure of management. The financial management initiative (see p 347, 1983) had led to improvements in top management systems, clarified objectives and increased awareness of costs. More recent work on budgeting had taken this a stage further, emphasising the need for delegation. There had been, for example, the acceptance in February of the recommendations of the Government's Efficiency Unit (see p 94) for agencies within government departments to carry out certain executive – as opposed to policy – functions.

Privatisation

The changing nature of the Government's privatisation programme, which has resulted in the privatisation of nearly 40 per cent of the state's commercial operations since 1979, was set out in a speech by the Chancellor of the Exchequer, Mr Nigel Lawson, on 27 June.

Introducing his speech, the Chancellor pointed out that Britain had pioneered the concept of privatisation, and had been responsible for 'the biggest privatisation programme the world has ever known'. In the 1980s 'a belief in government action as the way to economic success has been replaced by a belief in markets'. Relying on markets meant subjecting as much of the economy as possible, including the public sector, to competitive forces. Privatisation was 'an integral part of a free market approach to the economy' and in Britain the case for privatisation rested on the evidence of the performance of nationalised industries before 1979 and the subsequent performance of privatised companies.

Nationalised Industries

Mr Lawson said that in 1979 nationalised industries had accounted for one-tenth of national output and over one-seventh of fixed investment, had employed some 1·5 million workers, and had dominated key sectors of transport, energy, communications and steel. However, the industries were experiencing problems, with losses and borrowing totalling nearly £3,000 million a year, while they had had a poor record on investment, productivity and industrial relations. Problems had arisen as managers could not manage properly if their decisions were 'second-guessed' by politicians and civil servants; investment could be better planned and appraised if finance depended on the commercial judgment of the capital markets; and a crucial stimulus was removed as the workforce knew that their financial position was underwritten by the Government and survival did not depend on responding to the market.

Accordingly, the first step for those industries not immediately ready for privatisation had been to replicate the disciplines of the market place as closely as possible. This had involved setting for each industry a firm framework, agreeing a corporate plan, setting clear financial targets (often accompanied by objectives for cost reduction) and monitoring performance. Nationalised industries had responded well and in many cases performance had been transformed, especially by the prospect of privatisation. For example, British Steel, which operated in a particularly difficult sector of the world economy, had recorded a net loss of nearly £1,800 million in 1979-80, but was now profitable and would be the next major example of privatisation (see pp 111-12).

Development of Privatisation[1]

However, Mr Lawson continued, reforming nationalised industries could only achieve a certain amount, and the target had always been privatisation. Early examples of privatisation had been ordinary commercial businesses – British Aerospace, Amersham International, the National Freight Consortium and Britoil – most of which had already been in competition with private sector firms. The privatisation of British Telecom (BT) in 1984 (see pp 453-4, 1984), with its 'near-monopoly, utility' status, represented a new departure. Although the case for privatising the utilities was essentially the same as for other nationalised industries, their special circumstances required different approaches, both in preparing the industry for, and ensuring the success of, privatisation. To reinforce commercial disciplines and prevent the exploitation of monopoly, BT had been placed under a regulatory regime, while a new telecommunications company, Mercury, had been licensed to compete nationally with BT wherever practicable. Mercury had recently moved into new markets, both domestic and international, and would shortly be providing public call boxes, in direct competition with BT.

Another feature of the privatisation of BT had been its size, with the sale of shares at nearly £4,000 million being the largest in the world. Without a healthy economy and a sophisticated financial system in Britain, a privatisation of this size would probably have been impossible. However, the flotation had been achieved by a new approach to selling shares, such as through television and press advertising, and through special encouragement to small investors. The flotation had been substantially oversubscribed, with shares allocated to over 2 million investors, most of whom had been first-time share buyers. These techniques had been developed further for the larger sale in 1986 of British Gas (see pp 25-7, 1987) when nearly 5 million people had bought shares. Investors had held on to their shares, after the initial selling which followed a share issue, and British Gas still had nearly 3 million shareholders.

Other large-scale flotations – of British Airways (see pp 98-9, 1987), Rolls-Royce (see pp 209-10, 1987) and BAA (see pp 270-1, 1987) – had attracted more than 1 million investors. There had also been a number of other examples of privatisation, using, where necessary, different approaches: companies within British Shipbuilders had been sold individually to interested buyers (see p 000); the Royal Ordnance factories had been sold in a trade sale to British Aerospace (see pp 138-9, 1987); and the National Bus Company had been privatised by selling 70 regional operating companies separately, many through management buy-outs. Accordingly, there was no single right way to privatise a nationalised industry, but each concern had to be examined carefully and the best method adopted, 'to promote competition wherever possible, to promote wider share ownership wherever possible, and always to stimulate a better service for the customer'.

Results of Privatisation

The Chancellor said that, of the 17 major businesses returned to the private sector, the great majority had seen 'higher output, higher investment, better industrial relations and morale, and higher profits'. He referred to three particularly notable examples:

[1]For further information on the privatisation programme and for details of individual sales up to the end of 1986, see COI reference paper *Britain's Privatisation Policy*, No 245/87.

Cable and Wireless, which had experienced steady growth in sales, profits, investment and employment; Jaguar, where production was at a record level, investment was higher, and 2,000 new jobs had been created; and the National Freight Consortium, which had expanded, opened major new distribution centres, and acquired companies in the United States, and whose shares were trading at over 40 times their original price in 1982.

Privatisation had also succeeded in the objective of substantially widening share ownership in Britain. It had contributed to a threefold increase in the number of shareholders since 1979, with about 20 per cent of the adult population holding shares (see pp 167-8). A particular objective had been to encourage employees to acquire shares in the companies for which they worked. Special incentives had therefore been given for employees to acquire shares in all privatisation schemes where a majority shareholding had been sold in a stock market flotation. As a result, 90 per cent of eligible employees had taken up shares in these companies.

Extension of Privatisation

Mr Lawson said that, as privatisation and the extension of share ownership had developed, public attitudes had changed, and privatisation was now 'an established part of the political and economic landscape, not only in Britain but around the world'. The Government had 'continually pushed back the frontiers of what was thought capable of being returned to the private sector' and the frontiers would be 'pushed back further still'. Four major privatisation projects were in hand: British Steel (see pp 111-12) and Girobank (see p 212) in the next year or so, and at a later date electricity supply (see pp 112-18[1]) and water supply (see pp 271-3, 1987), with the major preparatory legislation envisaged in the parliamentary session starting in November 1988. The electricity supply industry was being sold in a way 'specifically designed to promote competition', while privatising the ten water authorities in England and Wales would also provide 'a powerful stimulus to greater efficiency'. Both industries would have a demanding regulatory regime, covering both the prices charged and the standard of service to the customer, while the arrangements under which they would be privatised would be designed to facilitate wider share ownership. The programme of other smaller sales would also continue – one example being the proposed acquisition by British Aerospace of the Government's shareholding in the Rover Group (see p 147).

Nearly 40 per cent of the state commercial sector that existed in 1979 had been privatised, and by the time the present programme was complete this would rise to about 60 per cent, but the Government did not then intend to halt the privatisation process. Of the remaining major nationalised industries, private capital could be introduced into the coal industry by liberalising licensing of private mines (see pp 206-7), while British Coal could be a candidate for privatisation, depending on its progress towards viability; and privatisation of British Rail was 'a distinct possibility for the future'.

[1]This article has been offprinted as COI reference paper *Privatisation of the Electricity Supply Industry*, No 309/88.

Conclusion

Mr Lawson said that the Government had pushed back the frontiers so that no nationalised industry could be completely excluded from consideration for privatisation. There was a real prospect that, in due course, the nationalised industry sector would disappear. However, the industries would not disappear, but would go 'from strength to strength, in a more dynamic, competitive environment, giving better service for their customers'.

Regional Trends

The 1988 edition of *Regional Trends*,[1] the annual publication of the Government Statistical Service which brings together data for the regions of Britain on a wide range of social, demographic and economic topics, was published on 9 June.

Population

Between 1981 and 1986 East Anglia was the fastest growing region in Britain; its population increased at an average rate of 1 per cent a year, and is expected to increase by a further 13·3 per cent by the year 2001. The second fastest growing region was the South West (0·7 per cent a year). During the same period the population of most urban areas fell: for example, the population of the Central Clydeside Conurbation in Scotland fell by 0·8 per cent, and that of Merseyside in the North West by 0·7 per cent. However, the population of Greater London increased slightly between 1985 and 1986, having been in decline between 1961 and 1984. The North West was the region with the largest fall in population between 1981 and 1986 (1·3 per cent), and this decline is expected to continue between 1986 and 2001 by a further 1·3 per cent.

In the South West, 21 per cent of the population was of state pension age (65 for men, 60 for women) or over, a higher proportion than in any other region, reflecting its popularity as a retirement area. The highest live birth rate in 1986 (18·0 per 1,000 population) was recorded in Northern Ireland and the lowest (12·0) in the South West. The proportion of live births outside marriage in Britain has risen sharply from 9 per cent in 1976 to 21 per cent in 1986 (see p 74). In 1986 the percentage of such births was highest in the North West (27 per cent) and lowest in Northern Ireland (13 per cent).

Mortality rates from all causes were highest in Scotland for both men and women in 1986, and lowest in East Anglia, which also had the lowest rate for deaths attributable to heart disease, the highest rate for those being in Northern Ireland.

Housing

There was an increase of 10 per cent in the housing stock in Britain between 1976 and 1986, with the highest regional increases taking place in East Anglia (17 per cent) and the South West (15 per cent). The smallest increases occurred in the major

[1]*Regional Trends 23*. Central Statistical Office. HMSO. £18·50. ISBN 0 11 620344 7.

metropolitan areas of Merseyside (2 per cent), Tyne and Wear, Greater Manchester and Central Clydeside Conurbation – all with 4 per cent.

During the same period the proportion of dwellings which were owner-occupied increased in all regions, partly owing to legislative changes giving tenants of local authorities and other public bodies the right to buy their homes if they satisfied certain length of residence criteria. The largest rises of 11 percentage points occurred in the East Midlands and East Anglia. The proportion of owner-occupied dwellings in 1986 was highest in the South West (70 per cent) and lowest in Scotland (42 per cent), while Scotland had the highest percentage of dwellings rented from local authorities or new towns (49 per cent) and the South West the lowest (18 per cent). The largest increases in house prices between 1981 and 1986 were in Greater London and the rest of the South East (16 per cent or more) and the smallest in the North West (under 7 per cent).

Transport and the Environment

About 73 per cent of households in the South East and South West had the regular use of one or more cars or light vans in 1985, compared with 62 per cent in Great Britain as a whole. In the North, only 11 per cent of households, the lowest regional proportion, had the use of two or more such vehicles, compared with 26 per cent in the South East (excluding London), the highest proportion, and 17 per cent in Great Britain as a whole.

The number of fatal or serious road accidents per 100 kilometres of road in Great Britain fell from 20·5 to 18·0 between 1981 and 1986, with all the regions experiencing a fall in the rate except for Greater London, which had nearly three times the rate of any other region in 1986, perhaps reflecting its higher densities of traffic and of roads in built-up areas.

By 1987, 10 per cent of the total area of Britain had been designated within National Parks or National Scenic Areas (Scotland), with regional proportions ranging from 23 per cent in the North, containing the Lake District and Northumberland, to 2 per cent in the West Midlands and North West and nil in Northern Ireland, the South East and East Anglia. Eighty per cent of Scotland's mainland coastline had been defined as preferred conservation zones.

Health

In 1986 people in East Anglia and Scotland were least likely to have reported a long-standing illness, while those in Wales were most likely to have done so; however, the greatest reduction in the prevalance of cigarette smoking in Great Britain since 1974 has been in Wales, from 46 per cent of people aged 16 or over to 31 per cent in 1986. While cigarette smoking has declined in all regions, its prevalance in 1986 ranged from 36 per cent in Scotland to 29 per cent in the South West.

The highest numbers of people with AIDS (Acquired Immune Deficiency Syndrome) up to the end of December 1987 were in the North West Thames and North East Thames Regional Health Authorities (547 and 233 respectively – see pp 76-7), partly because the major centres of treatment for AIDS are in those areas. The greatest numbers of people reported as having the human immuno-deficiency virus (HIV) were also in the North West Thames and North East Thames areas (2,151 and 1,252), and in Scotland (1,381). The lowest numbers of both HIV and AIDS cases reported were in Northern Ireland.

In National Health Service hospitals the number of cases treated per available bed increased considerably between 1981 and 1986: in 1986 the Oxford Regional Health Authority treated 24·5 cases per bed compared with 20·4 in 1981.

Law Enforcement

The rate of notifiable offences recorded by the police rose between 1981 and 1986 in all regions, although the size of the increase varied considerably, from 42 per cent in the North to 15 per cent in the East Midlands. East Anglia had the lowest rate of recorded crime in England and Wales in 1986. The rate of persons found guilty of, or cautioned for, drug offences rose between 1981 and 1986 in all regions except East Anglia, with the South East having the highest rates in both years, and Northern Ireland the lowest.

Education

Pupil/teacher ratios in public sector schools were lower in Scotland than elsewhere in Britain in 1986-87, at 20·4 in primary schools, compared with 23·0 in the South West and 23·4 in Northern Ireland, and 13·2 in secondary schools, compared with 16·4 in East Anglia and 16·5 in the South West. Greater London had the lowest average class sizes in England for both primary and secondary maintained schools in January 1987 (24·6 and 19·9 pupils respectively). Over 60 per cent of all 16-year-olds in England and Wales stayed on at school or entered non-advanced further education in 1985-86, with the lowest proportion in the North (56 per cent) and the highest in the North West (65 per cent).

Employment

There were more employees in employment in June 1987 than in June 1976 in the East Midlands, East Anglia, the South East and the South West, but fewer in all other regions. The number of females in the civilian labour force in Great Britain rose in all regions between 1971 and 1986 because of an increase in the adult female population and a rise in female economic activity rates, while the number of males fell in all regions expect for the East Midlands, East Anglia, the South East and the South West, where the increase in the adult male population was large enough to offset the fall in male economic activity rates. The number of self-employed people rose in all regions between 1979 and 1987, except for Northern Ireland, with the South West experiencing the highest growth, at 90 per cent. In 1987, 13·6 per cent of the civilian working population were in self-employment in this region, the highest percentage in Britain. The highest qualified members of the workforce were concentrated in 1986 in the South East, where 13 per cent had a degree or equivalent qualification. The proportion of the workforce with no qualifications was highest in Northern Ireland at 40 per cent, the West Midlands at 38 per cent and Scotland at 37 per cent. The unemployment rate remained lowest in the South East and East Anglia in 1987 at 7·5 per cent, and highest in the North (15 per cent) and Northern Ireland (18 per cent).

Personal Income and Expenditure

The average weeky household income was highest in the South East in 1985-86 at £269, and lowest in the North at £188. In April 1987, male average earnings were highest in the South East (£254 a week) and lowest in Northern Ireland (£199 a week). Women's earnings were lower than men's in all regions, and varied between regions within a narrower range than those of men, although they were again highest in the South East. Over half of women in full-time manual work in both East Anglia and Northern Ireland earned less than £100 a week in April 1987. Households in the South East spent a higher proportion on housing than any other region but a lower proportion than any other on food.

The highest proportion of expenditure on alcohol was in the North, and on tobacco in Scotland. In 1984-85 households in the South East were more likely to have a refrigerator, telephone, dishwasher or video than any other region, but were least likely to have a washing machine. Households in the North ate more meat, fish, vegetables (other than potatoes), cakes and biscuits per head in 1985-86 than in any other region, while those in the South East and East Anglia consumed most fruit per head.

Gross Domestic Product

Since the early 1980s, East Anglia and the South East outside Greater London have experienced above average growth in Gross Domestic Product (GDP) per head, whereas in Northern Ireland GDP has declined in relation to the rest of Britain. There are wide variations in GDP per head within regions: for example, within the South West GDP per head in 1984 varied from 20 per cent below the average for Britain in Cornwall, to 7 per cent above the average in Wiltshire. The county with the highest GDP per head in 1984 was Greater London at £6,626, reflecting the dominance of the capital as an industrial and commercial centre and the inclusion of commuters' wages and salaries. The next highest GDP per head in 1984 is estimated to have been in the Grampian region in Scotland, at £5,924. The South East derives a much higher proportion of its GDP from the banking, financial and business services industry than any other region, 23 per cent compared with 16 per cent for Britain as a whole in 1986.

Industry and Agriculture

Manufacturing contributed about a third of GDP in the West Midlands, the highest regional proportion, followed by the East Midlands (31 per cent) and the North West (30 per cent). Manufacturing activity is now least important in Northern Ireland (19 per cent of GDP). Gross value added per employee in manufacturing industry varied quite widely between the regions in 1985, from £12,323 in Northern Ireland to £16,694 in the South East. Foreign owned enterprises accounted for 27 per cent of gross value added in manufacturing in Scotland in 1985, a higher proportion than elsewhere. Agriculture contributed only 1·9 per cent of the GDP of Britain as a whole in 1986, and is most important in the economies of East Anglia, Northern Ireland and Wales, where it contributed 4·5, 4·5 and 4·2 per cent of regional GDP respectively.

South Wales Valleys

A three-year programme, designed to improve economic, environmental and social conditions in the South Wales valleys, was announced by the Secretary of State for Wales, Mr Peter Walker, in the House of Commons on 14 June.

Details of the programme, which will cover an area of about 2,200 sq km (860 sq miles) from Pontypool in the east to the Gwendraeth Fawr valley in the west, with a population of about 700,000, are set out in a document, *The Valleys – a Programme for the People*[1].

In his statement (*Hansard*, Vol 135, No 166, cols 163-4) Mr Walker said that over several decades the decline in the coal and steel industries (which had been of particular importance to the local economy) had led to high levels of unemployment and serious dereliction; however, in recent years many factories had been built and occupied, inward investment had been attracted, thousands of homes improved and many acres of derelict land cleared. The objective of the programme was to accelerate these improvements to create a viable and diverse economy, and to create conditions that provided a good quality of life for the people of the valleys.

Among the proposals for new or increased activity in the valleys are:

1 The Welsh Development Agency's[2] factory building programme will be expanded threefold in 1988-89, providing 42,000 sq m (450,000 sq ft) of factory space in the valleys at a cost of £14·5 million. A further 74,000 sq m (800,000 sq ft) will be built at a cost of £25 million in the following two years.

2 Expenditure on the clearance of derelict land in 1988-89 will increase by over 50 per cent, with £42·5 million being spent over three years on the clearance of 1,000 hectares (2,500 acres), representing the biggest derelict land clearance programme in the history of the valleys.

3 Regional assistance to industry in 1988-89 will be over a third more than in the previous year, and is expected to increase further in the following two years. The Urban Programme (see p 102, 1986) will provide £14·9 million for projects in the valleys in 1988-89, 38 per cent more than in 1987-88.

4 There will be a 15-point programme for new and small businesses, including new loan schemes, training schemes and a technology development fund. The Welsh Development Agency will treble its expenditure on enterprise training for those who wish to become self-employed.

5 A centre for Quality, Enterprise and Design will be established at Treforest (Mid Glamorgan), serving the whole of Wales.

6 The Training Commission will spend an average of £1 million a week over the three years on training

[1] *The Valleys – a Programme for the People.* Available unpriced from the Welsh Office, Information Division, Cathays Park, Cardiff CF1 3NQ.

[2] The agency which has responsibility for industrial development policy in Wales, and powers to provide finance for the expansion or modernisation of industrial undertakings.

and educational programmes in the valleys. Business teams will be created in each valley to strengthen links between schools, commerce and industry.

7 The tourism industry will be encouraged with substantial investment in the Ebbw Vale Garden Festival (due to take place in 1992), and the development of the Rhondda heritage park, among other projects. Improved facilities will be created for music and the arts. Private sector investment of over £40 million to improve hotels, inns and pubs in the valleys is expected over the three years.

8 As a result of the programme it is hoped that 32,000 houses will be improved and more than 10,000 new private sector and housing association homes built in the three years.

9 There will be further investment in hospitals, health centres and schemes to assist the elderly and to improve primary health care.

Farm Set-aside Scheme

Details of the European Community's first scheme to reduce surplus agricultural production and to compensate farmers who set aside part of their arable land have been announced.

Minister's Statement

In a statement in the House of Commons on 14 June (*Hansard*, Vol 135, No 166, cols 175-9), the Minister of Agriculture, Fisheries and Food, Mr John MacGregor, outlined the scheme agreed at the European Council in February (see pp 99-100). Though it was compulsory for member states to introduce the scheme by autumn 1988, participation would be voluntary for farmers, and compensation payments would be partly financed through the Common Agricultural Policy (CAP) budget.

The scheme's main features would be as follows:

1 Payments would be made to farmers who set aside at least 20 per cent of their arable land by taking it out of production for five years, although participants would be able to opt out after three.

2 Land set aside would have to be left fallow, with a green cover crop and in good agricultural condition; put to woodland; or used for non-agricultural purposes, excluding land developed for residential, industrial, or retail purposes. Subject to planning controls, the scheme would not include other limitations on non-agricultural use.

3 Rates of payment would vary according to use and area. For land left fallow with a green cover crop in lowland areas, the rate would be £200 a hectare[1] a year; in less favoured areas, the rate would be £180. If the fallow area were to be rotated around the farm, there would be a reduction of £20 in either case. Farmers who decided to plant trees could do so under the Forestry Commission's woodland grant scheme (see p 213), when they would receive £200 a hectare a year or £180 in the less favoured areas, for the period of the scheme only, or under the Farm Woodland Scheme (see below). For non-agricultural use, the payment would be reduced by £50 a hectare.

4 Britain would not permit land set aside from arable crops to be grazed by limited numbers of livestock, as allowed under Community rules, because of the difficulty of ensuring proper controls and adverse effects on existing livestock producers.

5 Payments would be based on farmers' arable crop patterns in 1987-88. Those who did not wish to enter the scheme in 1988-89, but who wished to keep their options open, were being invited to register their 1987-88 crop patterns with the Agriculture Departments this summer.

'The Government', the Minister concluded, 'regards set-aside as an important new instrument of CAP reform complementary to action on price. Its aims are to assist in getting more arable land out of production, to provide an alternative source of income for farmers most affected by reductions in CAP support, and to give reasonable payments to farmers in recognition of the environmental services they are providing to the community at large in keeping such land in attractive condition and capable, if necessary, of returning to agricultural use.'

Other Provisions

Under the main rules of the scheme, in order to qualify a farmer must have been farming the land for at least 12 months preceding 1 October in the year in which the set-aside undertaking commences. Farmers in national parks or the Broads (Norfolk and Suffolk), or whose land contains an area designated as a site of special scientific interest (see p 414, 1987), must notify the relevant authority of a decision to participate. Farmers setting aside at least 30 per cent of their arable land would be exempted from European Community levy on a maximum of 20 tonnes of grain sold.

Farm Woodland Scheme

On 23 June Mr MacGregor announced that the Farm Woodland Scheme (see p 67), made under the Farm Land and Rural Development Act 1988 (see p 187), would take effect from 1 October and would pay to participants £190 a hectare a year in lowland areas, £150 in disadvantaged areas and £100 in severely disadvantaged areas. Farmers would receive payments for oak and beech woodland for 40 years, for other broadleaves and mixed woodland containing more than 50 per cent broadleaves for 30 years, for other woodland for 20 years, and for traditional coppice for 10 years.

[1] 1 hectare = 2·471 acres.

Renewable Sources of Energy

The Government has outlined its plans for the development and exploitation of renewable sources of energy. A report published by the Department of Energy concludes that the most economically attractive include fuel from waste and passive solar design, while wind energy, tidal energy, and geothermal hot dry rocks show promise. It also sees industry becoming increasingly involved in research and development, and eventually taking over from government.

Introduction

The past 20 years, the report[1] states, have seen major fluctuations in the price and availability of conventional energy sources in Britain. All available energy sources should be utilised to provide diversity of supply, to avoid dependence on any one fuel and to offer some insurance in the event of an unforeseen disturbance in conventional supplies. The Government intends to stimulate the development of economically attractive and environmentally acceptable renewable sources by a collaborative research, development and demonstration programme with industry – which, it is hoped, should have resolved present uncertainties by the year 2000 – and to ensure that they can compete on equal terms with other energy sources.

Britain collaborates on a number of research programmes sponsored by the International Energy Agency and the European Commission, and also works with the United States Department of Energy under a bilateral agreement.

RESEARCH, DEVELOPMENT AND DEMONSTRATION STRATEGY

The Department of Energy's programme, in being since the mid-1970s, aims to identify, develop and demonstrate the renewable technologies and transfer responsibility for further development to industry and potential users, where appropriate. As commercial prospects and markets are identified, the report says, industrial involvement and funding must increase, until industry takes full responsibility for commercial development and deployment.

The programme has been designed to be as cost-effective as possible and commitment to each subsequent, more expensive stage is conditional on successful results from the previous one and increasing interest from industry. Its three phases (mid-1970s to mid-1980s, mid-1980s to early 1990s, early to late 1990s) are detailed below.

Expenditure

The Department of Energy provided most of the funding for the first phase of the programme and its expenditure will peak during the second phase, though its share of the total cost should fall as industry increasingly contributes to the work. The Department's expenditure is then expected to decline as industrial and commercial funding takes over.

The Government has shown its commitment to the development and exploitation of renewable energy sources in the collaborative £28 million experimental wind farm programme with the Central Electricity Generating Board (see p 146); the £8 million extension to the research programme on geothermal hot dry rocks (see pp 119-20); passive solar building design studies costing £5 million (see p 119); feasibility studies of tidal barrages, costing over £7 million, in collaboration with industrial consortia (see p 278, 1986); and proposals that will require a proportion of electricity to be generated from non-fossil fuels (see below and pp 112-18).

Contribution to Britain's Energy Supplies

Renewable energy sources could make a useful and economic contribution from the late 1990s. A contribution of up to 70 terawatt[1] hours (TWh) a year from those technologies which produce electricity directly and up to 20 million tonnes of coal equivalent (mtce) a year from those producing heat may be possible by the year 2025. By comparison, current total primary energy consumption is 330 mtce a year, of which electricity accounts for 250 TWh a year.

In the first phase estimates were produced of the technical potential – the resource available after applying only the broadest economic and environmental constraints. A primary aim of the second phase is to estimate the contribution that could be made by a specified date, taking into account a range of environmental factors and based on the realistic assessment of costs of developed machinery. The table shows estimates of technical potential for each technology likely to find significant application and present assessment of estimated contributions in 2025. If the suggested research programme is successfully carried out, by the early 1990s a much clearer idea of estimated contribution should be possible.

Technical Potential and Estimated Contribution by 2025

Electricity producers	Technical potential (TWh a year)	Estimated contribution (TWh a year)
Wind power		
Onshore	45	0-30
Offshore	140	uncertain
Tidal energy	54	0-28
Geothermal hot dry rocks	210	0-10
Wave energy	50	0-0·2
Small-scale hydro power	2	0·3-0·7

Heat producers	Mtce a year	Mtce a year
Passive solar design	8-14	1-2
Biofuels		
Wet and dry wastes	22	3-10
Forestry	at least 20	1-5

Notes. A comparison between the two parts of the table can be made on the basis that generation of 1 TWh of electricity by a conventional power station involves the consumption of 0·5 mtce of fuel.

Electricity producers are expected to generate electricity directly in Britain. Of the heat producers, biofuels could be used either to meet only heat needs or to fuel electricity generation processes.

[1] *Renewable Energy in the UK: the Way Forward.* Energy Paper No 55. Department of Energy. HMSO, £4·95. ISBN 0 11 412905 3.

[1] 1 terawatt=1 million megawatts.

RESEARCH PROGRAMME

Phase 1: Mid-1970s to Mid-1980s

Having established that all the technologies investigated (see below) could be deployed in Britain, the programme continued with studies on the economic potential of particular technologies. As a result the technologies were divided into three categories:

1 *economically attractive* – likely to make a significant and cost-effective contribution to energy supplies, whether or not cost and performance can be improved and whether or not fuel prices rise in real terms in the near future;

2 *promising but uncertain* – likely to become competitive if predicted costs can be achieved or if fuel prices rise in real terms;

3 *long shots* – with little prospect of cost-effective deployment without a substantial improvement in technical performance, reduction in costs, or large increase in fuel prices; but of possible use in a critical situation.

In arriving at estimated contributions by 2025, assumptions had to be made about technological developments; future fuel prices; single values for cost and performance (although variations in design and location are likely); successful development of some aspects of the technologies; environmental acceptability; and commercialisation as soon as cost-effectiveness is demonstrated.

Phase 2: Mid-1980s to Early 1990s

The Department of Energy encourages and promotes the commercialisation of the economically attractive technologies, and aims to reduce uncertainty in the economics and potential contribution of those classed as *promising but uncertain.* This will be achieved by obtaining better information and by improving technical performance and reducing capital costs, so that all such technologies will be reclassified as *economically attractive* or as unpromising *long shots.* In the latter event research and development would be curtailed.

This approach, based on a cost-shared technology development programme with industry, involves the design and, where appropriate, the construction and operation of full-scale experimental plant. Technology transfer processes necessary for the creation of a successful market are being developed and tested, and environmental and institutional issues are being investigated in detail. This phase is therefore expected to provide practical data on construction costs, technical performance, and improved estimates of commercial possibilities.

Phase 3: Early to Late 1990s

During this phase, it is envisaged that the processes of demonstration and technology transfer to industry, for those technologies which continue to show commercial promise, will be undertaken. By its end, the role of the Department of Energy will be concluded and the technologies will prosper or not according to commercial forces.

TECHNOLOGIES AND FUTURE PROGRAMMES

Biofuels

Any fuels derived directly from biological materials (biomass) are described as biofuels and two sources can be considered: organic wastes, such as refuse, industrial wastes and agricultural residues (straw, forestry trimmings and animal manure), and crops grown specifically for energy production. Biomass can be used directly as solid fuel or can be converted by thermal, chemical or biological processes to gaseous or liquid fuels, such as methane, methanol or ethanol.

There are a large number of biofuel sources and a wide range of conversion processes. In many cases organic wastes are available at source at little or no cost since their use avoids the cost of alternative disposal or environmental treatment. On the other hand, wastes have a lower energy density than fossil fuels, are often contaminated with non-fuel materials and may be produced in a way that makes their collection and delivery difficult and expensive. The growing of energy crops must be competitive with other possible land uses and since, at present fuel prices, the value of food produced is higher than the value of energy that can be produced from the same land area, biomass crops are likely to be grown only on land which cannot be used for high-quality food production.

Despite strong competition from conventional fuels, biofuels can still provide energy cost-effectively, especially in the processing and use of dry waste – such as refuse, industrial wastes, straw and forestry wastes – and the recovery of methane produced from the digestion of wet wastes in prefabricated digesters or in landfill sites.

Present Status

Some biofuels, such as the use of wood waste as fuel in the timber industry or the digestion of sewage to produce methane, are already established and commercialised. Others, such as techniques for collecting and using landfill gas, are being demonstrated and commercialisation is in progress. Research and development, however, are still needed in most cases to reduce technical and commercial risk, and to develop ways of processing and using biofuels at lower cost. In some circumstances, therefore, waste as fuel can be categorised as *economically attractive.* The improved techniques and equipment being investigated are in the *promising but uncertain* category.

Economic Prospects

Wastes as fuel will often be cost-effective where wastes are generated close to potential users or where disposal costs would have been high. If current research and development is successful, the amount of energy which can be recovered economically from the biofuels will be increased. Production costs from energy forestry are still being assessed. On current assessments biofuels could contribute between 4 and 15 mtce a year by 2025.

Future Programme

To encourage the widespread commercial exploitation of biofuels in a competitive and environ-

mentally acceptable way, work will concentrate on the five most important areas: fuels from domestic refuse and evaluation of alternative refuse-to-energy processes; the processing and use of baled straw and compacted straw fuel; anaerobic digestion of municipal waste (see p 146), including the enhancement of gas production from landfill sites; wood as fuel; and industrial waste.

The estimated cost of the development and demonstration programme (1988-2000) is some £44 million, of which the Department of Energy is expected to contribute £20 million and industry £24 million.

Passive Solar Design

When used in conjunction with energy efficiency measures, passive solar features can significantly reduce the energy needed for heating, cooling and lighting in buildings. Reductions in house-heating costs can be achieved by arranging large windows on the south side. Conservatories, highly glazed but unheated, can also be put on the south side. Major savings in lighting costs can be made by using daylight to best advantage, for example, through rooflighting. The Department of Energy encourages the integration of passive solar design into building design by the mid-1990s.

Present Status

Only a few of the leading building design practices have adopted passive solar design, despite the fact that a small but growing number of buildings confirms that the technology can be cost-effective in improving energy performance. A key factor limiting its wider adoption is lack of awareness among developers and designers. In many of its simpler forms it can be categorised as *economically attractive.*

Future Programme

The research and development programme into passive solar design includes field studies which will provide evidence of its energy and financial and non-financial benefits from measurements made in real buildings; design studies which enable design practices to explore its techniques in a wide range of building types; and generic studies of particular design features. It is hoped that information from these studies will influence developers, designers and users. Ideas for a design advice scheme are being tested to overcome lack of expertise and increase awareness of the benefits of passive solar and energy efficient design. Its potential contribution has been estimated at 1·6 mtce a year by 2025. The estimated cost of the programme (1988 to late 1990s) is some £16·4 million, of which the Department of Energy is expected to contribute £13·4 million.

Wind Energy

The potential of wind energy runs from the kilowatt level to multi-megawatt (MW)[1] units, but if it is to contribute significantly on a national scale, it has to compete against conventional generating capacity and be suitable for widespread deployment. Both horizontal and vertical axis wind turbine generators are being developed. The exploitable wind energy resource on land is large, but limited by environmental constraints, such as visual intrusiveness, television interference and noise. Offshore siting is practicable in water depths up to 30 m (98 ft) and here the potential resource is much greater, although technical problems of a hostile environment will need to be overcome.

Present Status

Onshore wind energy is one of the more promising renewable energy sources for electricity both in Britain and worldwide. The Department of Energy has made a substantial commitment to the development of medium and large-scale wind turbines (see p 146), including a 3 MW horizontal axis machine on Orkney, a 130 kW vertical axis turbine in south Wales (see pp 385-6, 1984), and a 1 MW horizontal axis machine about to be constructed in Kent (see p 35, 1987). Plans are also being made for experimental wind farms in England, Scotland and Wales (see p 146) and for a second generation of experimental wind machines whose performance and cost should more closely match commercial needs.

Questions concerning the integration of large numbers of machines into the electricity grid will require time to resolve, and the electricity supply industry is unlikely to plan a large installation programme until onshore wind turbines have been shown to be acceptable to the public. Onshore wind energy is categorised as *promising but uncertain;* offshore at present as *long shot,* although there are indications that it could be recategorised partly as *promising but uncertain.*

Economic Prospects

The capital costs for commercially available machines (up to 300 kW) are about £800-£1,000 per installed kW of rated power. With optimum performance and reliability over 25 years, the cost of electricity in areas of high wind speed from such machines would be about 3p a kWh (kilowatt hour). Energy from larger machines is at present more expensive, but there could be scope for reductions in their capital costs through research and development and further engineering and technological development. By 2000 the cost of large-scale onshore wind turbines is expected to be about 2·7 to 3·4p a kWh and of offshore machines about 4·2 to 7·4p a kWh. Onshore technical potential is estimated to be 45 TWh a year and offshore 140 TWh a year. In 2025 onshore wind power could be providing up to 30 TWh a year. The actual contribution may, however, be limited by the availability of sites.

Future Programme

With the completion of the first stage of the Department of Energy's wind programme in 1987, medium-size machines (up to 300 kW) are commercially available and larger machines (up to 3 MW) are being developed for demonstration. In the second stage, a report to be produced in the early 1990s will bring together and analyse all relevant data. New work will also be undertaken where necessary, including the building of advanced machines. If assessment is favourable, a third stage will incorporate large-scale demonstration, in collaboration with manufacturers and the supply

[1] 1 megawatt=1,000 kilowatts.

industry, aimed at encouraging exploitation. The estimated costs of the second and third stages (1988-99) are some £234 million, of which the Department is expected to contribute £76 million and industry £158 million.

Geothermal Hot Dry Rocks

Hot dry rock technology involves the extraction of heat from impermeable rocks beneath the earth's surface by circulating water through deep naturally occurring fissures. Two wells are drilled into the rocks, terminating several hundred metres apart. Water is pumped down one well (injection well) and forced through the fissures, where it heats up, and then returns up the production well to bring heat to the surface, where it can be used for electricity generation, combined heat and power, or district heating. A pair of wells would produce about 10 MW of electricity over some 25 years. To tap heat at temperatures required for economical electricity generation, hot dry rock systems must be established at depths of up to 7 km (4·4 miles), a considerable technical challenge. Nor are they renewable in the strict sense because the heat extraction rate is much larger than the heat replenishment rate, a consequence of the low thermal conductivity of rock.

Present Status

Although the research and development programme, at Rosemanowes in Cornwall (see pp 119-20), started in 1976, the technology is at an early stage of development. Studies have been conducted at shallow and intermediate depths – 300 m (985 ft) and 2,500 m (1·5 miles) – and are expected to lead to the establishment of a commercial depth system of about 6 km (3·75 miles) in the mid-1990s. A review in 1987 indicated that, despite its experimental stage, hot dry rocks technology was commercially attractive in the long term and the Government has recently announced funding of £8·15 million for a further three years of the programme, during which it is hoped to remove technical uncertainties and gain enough information for a decision whether or not to proceed with the drilling phase of a prototype project. Regions with higher than average geothermal gradients, such as south-west England, are most suitable for this type of power generation, but the construction of power stations and electricity pylons could cause environmental problems. Hot dry rocks is categorised as *promising but uncertain.*

Economic Prospects

The likely cost of electricity generation from hot dry rocks systems has been estimated at about 3 to 6p a kWh. The technical potential is estimated at 210 TWh a year if the resource, which is finite, is utilised over 100 years, up to 10 TWh a year possibly being utilised by 2025. If developed for local use, it could supply all Cornwall's needs for the foreseeable future.

Future Programme

The programme's next phase, to begin later in 1988, aims to confirm the feasibility of creating a hot dry rocks reservoir suitable for commercial operation, to develop and demonstrate techniques for improving hydraulic performance of reservoirs, and to provide a continuous assessment of all seismic activity in south-west England, so that that caused by the present experiments can be compared with other natural or man-made phenomena. Costs of the programme into the mid-1990s are estimated at £57·3 million, of which the Department of Energy is expected to contribute £33·8 million.

Tidal Energy

The Severn estuary, one of the many exploitable estuaries and inlets along the western shores of England and Wales, ranks second as the world's best tidal energy site. However, tidal energy can also be exploited on a medium scale, for example in the river Mersey, and on a small scale at several places to yield electricity at similar cost. The energy can be extracted by building a barrage across the estuary, equipped with sluices and turbines, best operated at ebb tide – which involves filling the basin through the sluices on the flood tide and generating electricity with the turbines on the ebb tide.

Present Status

Tidal energy is technically one of the best developed renewable sources. In 1979-81 the Department of Energy funded a £2·3 million pre-feasibility barrage study, which led to the formation of the Severn Tidal Power Group, which in turn confirmed the line Cardiff (South Glamorgan) – Weston-super-Mare (Avon) as the best site.

The Department's present research and development programme (1986-89), costing over £7 million, includes major projects on possible Severn and Mersey barrages, small-scale tidal energy projects, and support for generic engineering and environmental studies. Among its key tasks are the reduction of uncertainty on costs and performance, and further examination of the regional and environmental effects of a Severn barrage; a preferred alignment for a Mersey barrage; and new construction techniques. The long construction time makes the largest schemes unattractive to investors and environmental acceptability has yet to be established. The categorisation of tidal energy is *promising but uncertain.*

Economic Prospects

The Severn, Mersey and a few smaller inlets could provide up to 20 TWh a year of electricity at under 3·5p a kWh, with a further 8 TWh a year at under 5p a kWh. The average cost of exploiting the total British potential would be about 6p a kWh, using currently proposed construction methods. Tidal energy is the only renewable source which could contribute substantially to national electricity supply in the near future: a Severn barrage could supply up to 17 TWh a year, or 6 per cent of demand in England and Wales, by 2003. If every reasonably practicable estuary were to be harnessed for tidal power, the yield would be about 54 TWh a year (26 mtce a year), about 20 per cent of present electricity demand in England and Wales – nine-tenths of it at eight larger sites, the rest at 34 small sites. Exploitation by 2025 could rise to a maximum of 28 TWh a year (13·3 mtce). Costs of the programme (1988 to mid-1990s) are estimated at £9 million, of which the Department of Energy would contribute £4·4 million.

Small-scale Hydro Power

Only a limited potential for small-scale hydro power (the original energy source for the industrial revolution in the eighteenth and nineteenth centuries) exists in Britain, and almost all that can be exploited cost-effectively is already being used: 1·3 gigawatts (GW)[1] or about 2 per cent of national generating capacity (80 per cent of it in Scotland). The Department of Energy has supported research into novel devices for exploiting this resource and has commissioned studies on its extent and economics. Its technical potential, for extracting energy from rivers and reservoirs with hydraulic heads above 3 m (10 ft), is about 300 MW (1·2 TWh a year); below 3 m, a further 200 MW (0·8 TWh a year). At sites above a 3 m head it is categorised as *economically attractive;* below, *promising but uncertain.*

Wave Energy

With large waves from across the Atlantic off the west coast of Scotland and Cornwall, conditions in Britain for wave energy generation are favourable. In principle, energy may be extracted on a large scale by a series of offshore devices, or, on a small scale, by devices on the shoreline. A major research programme (1974-83), costing £17 million, concluded that large-scale offshore wave energy was unlikely to be economic in Britain. A limited programme has started to develop the small-scale shoreline gulley device (invented at the Queen's University of Belfast; see pp 242-3, 1987), primarily through the construction and testing of a prototype on the island of Islay. It is estimated that a subsequent full-scale 1 MW device could generate electricity for local use at a cost of about 4p a kWh, or about 5·5 p a kWh if delivered to the mainland grid. The technical potential of small-scale shoreline wave energy, using the gulley system, is restricted by the coastal topography and wave conditions to about 1 TWh a year, from about 3 GW of installed capacity. Large-scale offshore wave energy systems are categorised as *long shots;* small-scale modular shoreline gulley devices as *promising but uncertain.*

Shorter Notes

COMMUNITY CHARGE

The community charge, which is to replace domestic rates (see pp 23-4, 1987), is now to be introduced in all London boroughs and the City of London in one move on 1 April 1990, the Secretary of State for the Environment, Mr Nicholas Ridley, said in the House of Commons on 30 June. (It had been announced in November 1987 [see p 418, 1987] that the community charge would be introduced in one move on 1 April 1990 in all local authorities in England except the highest spending areas in London – the inner boroughs and the Borough of Waltham Forest – where it would be fully introduced on 1 April 1994 after a four-year transition period. During this period the community charge and rates would run in parallel.)

Following representations from London authorities, the Secretary of State had concluded that it would now be right to withdraw the proposals for a transition period; the Local Government Finance Bill (see pp 17-18) would be amended as appropriate. Mr Ridley explained that the Government's original concern had been to protect people in high spending areas from excessively high levels of the community charge. The present position – that residual rates should apply in ten authorities – was no longer justifiable on the evidence available. He was content that other powers contained in the Bill were adequate to achieve the objective of tolerable levels of the community charge in the areas in question.

Source: *Hansard,* Vol 136, No 179, written answers, cols 365-6.

EXPORT AWARD FOR SMALLER BUSINESSES

Five small British firms have had their export achievements recognised with the 1988 Export Award for Smaller Businesses. The awards were made in London on 21 June.

The winners, out of 288 eligible entrants, were: CEL Electronics, manufacturers of professional television equipment, of Saffron Walden, Essex; F. Drake, makers of a polypropylene multifilament yarn, of Golcar, West Yorkshire; Holyhead Fish Processors, fish and shellfish merchants, of Holyhead, Gwynedd; Randox Laboratories, manufacturers of biochemical products, of Crumlin, Co. Antrim; and Total Audio Concepts, producers of professional audio mixing consoles, of Basford, Nottinghamshire.

The Export Award is sponsored by the British Overseas Trade Board; *Kelly's United Kingdom Exports,* a Reed International publication; Price Waterhouse, chartered accountants and business advisers; Thomas Cook; and Midland Bank, which also administers the scheme. The Award, of which this is the nineteenth, is open to small firms in the manufacturing and service sectors with up to 200 employees. Companies must have been able to show a sustained increase in export earnings over their last two financial years in the period up to December 1987. Export earnings must have exceeded £100,000 in the second year.

Source: Export Award for Smaller Businesses press notice, 21.6.88.

SHIPBUILDING

The sale of British Shipbuilders' Govan shipyard to Moss Rosenberg Verft, the shipbuilding subsidiary

[1] 1 gigawatt = 1,000 megawatts.

of the Norwegian group Kvaerner Industrier, for £6 million (see p 179) was announced by the Minister of Trade and Industry, Mr Kenneth Clarke, in the House of Commons on 27 June. The sale would be subject to the approval of the European Commission and agreement on certain outstanding details.

Mr Clarke said that the agreement brought the promise of a secure future for the shipyard. Kvaerner had secured an order for two gas ships with an option for two more later this year. The orders would provide work until well into 1992. Kvaerner had confirmed its intention to transfer its ship technology to this country and to develop Govan as its centre for gas ship technology.

Source: *Hansard,* Vol 136, No 176, written answers, col 25.

END OF STATE INVOLVEMENT IN NORTH SEA OIL MARKETS

The Minister of State for Energy, Mr Peter Morrison, announced in the House of Commons on 16 June that from 1 January 1989 royalties on oil production in the United Kingdom Continental Shelf (UKCS) would be taken only in cash and that the participation agreements with the oil companies were to be phased out.

The Government is entitled to a royalty on UKCS oil production (from fields which came on stream before 1982) that may be taken in cash or in kind, and crude oil worth some £550 million a year is at present taken in kind and marketed for the Government by the Oil and Pipelines Agency (OPA; see pp 129-30, 1985, and p 161, 1986). Participation agreements (see p 201, 1975) entitle the Government on payment of the market price to take up to 51 per cent of crude oil produced in the UKCS, although the right, vested in the OPA, has not been exercised since 1985. The Government will retain powers which could be brought rapidly into effect and would enable it, should the need arise, to control the production and use of oil and oil products. Discussions are taking place with a view to the Ministry of Defence taking over management of the government pipeline and storage system, seen as a defence asset but available in peacetime for commercial use, and hitherto managed by the OPA.

Sources: *Hansard,* Vol 135, No 168, written answers, col 182; Department of Energy press notice, 16.6.88.

EUREKA

The sixth Eureka Ministerial Conference in Copenhagen on 16 June approved 54 new projects, bringing the number of agreed projects to over 200 with a total value of at least £3,500 million. Nine of the new projects were British-led, among 17 with British participation. Announcing this, the Minister for Trade and Industry, Mr Kenneth Clarke, said that the British Government had made it clear that it regarded Eureka as a priority for strengthening Europe's competitive position in the world (see p 329, 1987). More and more British companies were taking the initiative in Eureka projects. This reflected a growing recognition in Britain of the importance of industry-led collaboration within Europe and of the completion of the single European market in 1992.

The 17 projects with British participation covered a wide range of technological areas, from biotechnology to advanced manufacturing, and involved partners from 11 other European countries. Important among them were two British-led FAMOS projects, advancing automated flexible assembly. FAMOS was a success, involving 15 European countries and 16 projects with a projected investment of some £140 million.

At the same time Mr Clarke announced further Department of Trade and Industry support for the Eureka project to develop a High Definition Television system (HDTV). HDTV uses approximately twice as many lines as standard definition to produce and display television pictures of a quality comparable to that of 35mm film. The aim of the Eureka HDTV project is to define a standard for HDTV which is compatible with the Multiplexed Analogue Components transmission being introduced for Direct Broadcasting by Satellite services in Europe. Demonstrations of the Eureka system, starting at the International Broadcasting Convention in Brighton, East Sussex, in September, will aim at the adoption of the Eureka system as a world standard by the CCIR (the international radio standards body) in 1990.

Sources: Department of Trade and Industry press notices, 16.6.88.

NEW LINK PROGRAMMES

The Government has announced two more LINK programmes (which aim at encouraging collaboration between industry and the scientific community and helping industry to exploit developments in science and technology).

On 13 June Mr Robert Jackson, the Minister for Higher Education, announced at the Royal Society a programme to investigate methods of delivering and targeting drugs within the body. It will explore ways in which drugs and their chemical carriers move within the body, and could underpin a new generation of drugs. Mr Jackson emphasised the significance of the programme for the continued success of the British pharmaceutical industry, faced with the task of meeting the increasing demand for more effective and safer drugs. The programme is the first to involve both the Medical Research Council and the Science and Engineering Research Council.

On 14 June the Secretary of State for Trade and Industry, Lord Young, and Mr Jackson announced a programme to stimulate the pre-competitive

research needed to develop a new, higher capacity personal communications system. It was prompted by the convergence of telecommunications and radio technologies, and a greater demand for accessibility both nationally – whether indoors or outdoors, stationary or moving – and internationally. There was a need to extend the range of services available and to integrate private radio, cellular and satellite mobile systems.

The first five LINK programmes were announced in February (see p 70). Along with a sixth, on biotransformations, announced in April, the latest two programmes bring the number to eight, with a projected cost of £103 million of which the Government will provide up to 50 per cent.

Sources: *Hansard*, Vol 135, No 168, written answers, cols 107-8; Department of Trade and Industry press notices, 15.4.88 and 14.6.88.

AIR POLLUTION

In a statement in the House of Lords on 20 June, the Minister of State for the Environment, Lord Caithness, announced that the European Community Environmental Council had agreed on 16 June that the Community should ratify and implement the Montreal Protocol on Substances that Deplete the Ozone Layer, and that agreement had also been reached on the European Community directive on the control of emissions from large combustion plants. Both agreements were subject to parliamentary approval in Britain.

Lord Caithness said that under the agreement Britain had accepted a phased programme of reductions in sulphur dioxide emissions from existing large combustion plants by 20 per cent of 1980 levels by 1993, 40 per cent by 1998 and 60 per cent by 2003, and agreed to reduce nitrogen oxide emissions by 15 per cent by 1993 and 30 per cent by 1998. These new targets would require a substantial effort to be made in addition to Britain's existing programme to retrofit 6,000 megawatts of coal-fired generating plant with flue gas desulphurisation equipment (see p 334, 1986, and pp 216-17 and 280-1, 1987)[1]; the agreement represented a firm and positive commitment by Britain which would result in considerable benefits for the environment.

The Montreal Protocol was adopted in 1987 when it was signed by Britain, the European Community and 23 other countries. It is due to come into force on 1 January 1989, and provides for a reduction in the production and consumption of chlorofluorocarbons (CFCs) of 50 per cent by 1999, for the production and consumption of halons to be frozen from 1992, and for regular reviews of these measures from 1990. In a statement in the House of Lords on 14 June, Lord Caithness said that the Stratospheric Ozone Review Group, set up in 1985 by the Department of the Environment and the Meteorological Office, had released a summary of its second report in advance of publication in August. The Group had concluded that since its first report in August 1987 (see pp 329-30, 1987), firm evidence had emerged of significant depletion of the stratospheric ozone layer as a result of man's activities. It warned that unless emissions of CFCs were reduced much further than the levels required by the 1987 Montreal Protocol, more severe depletion of the stratospheric ozone layer was likely to occur.

Sources: *Hansard (HL)*, Vol 498, No 143, cols 259-60, No 145, cols 588-9; Department of the Environment press notices, 14.6.88, 17.6.88.

[1]For further details on other recent developments see COI reference paper *Control of Air Pollution in Britain*, No 226/88.

WASTE DISPOSAL

The Government intends to enact all the main proposals set out in the public consultation paper of September 1986 on the amendment of waste disposal law (see pp 330-2, 1986), the Minister of State for the Environment, Lord Caithness, announced in a statement in the House of Lords on 29 June. Amendments to the Control of Pollution Act 1974 will include provision for a statutory duty of care, to be imposed on both producers and holders of waste; guidance on the duty will be set out in a code of practice. Carriers of waste will have to register with waste disposal authorities, which will be empowered to refuse registration, and the issue of waste disposal site licences, to unfit persons. Waste disposal authorities will be empowered to impose conditions requiring pollution control measures at licensed waste disposal sites to continue as long as may be necessary to make each site safe.

The Government will introduce nationally prescribed charges by waste disposal authorities for the issue of site licences and the registration of waste carriers, enabling local government to recover its costs. The estimated additional annual cost to industry will be some £22 million. Lord Caithness said that the Government believed that this was a price worth paying for increasing the effectiveness of waste regulation. The measures commanded wide support from industry and pollution control bodies.

In a statement in the House of Lords on 22 June, Lord Caithness welcomed the publication of the third report of the Hazardous Waste Inspectorate,[1] concerned with standards of waste management for the year ending 31 March 1987. Lord Caithness said that it was encouraging to note that the Inspectorate had found significant improvements in standards of waste management, but it was apparent that much remained to be done, particularly in respect of greater professionalism and training in the industry. The Government had already initiated a number of measures intended to ensure that waste management practice would continue to improve.

Sources: *Hansard (HL)*, Vol 498, No 148, cols 912-14, No 153, cols 1697-9; Department of the Environment press notices, 22.6.88, 29.6.88.

[1]*Hazardous Waste Inspectorate: 3rd Report*. Department of the Environment. HMSO, £7·60. ISBN 0 11 752127 2.

The Hazardous Waste Inspectorate was incorporated in Her Majesty's Inspectorate of Pollution (HMIP) under the new title of HMIP: Wastes from April 1987 (see pp 300-1, 1986).

OFFICIAL STATISTICS

The Government, following a report on the 1988 Budget by the House of Commons Treasury and Civil Service Committee (see p 183), announced on 22 June a review of official statistics.

The Committee had expressed the view that the problems surrounding official statistics were serious enough to warrant a thorough review. Accordingly, it had recommended that the Government investigate the operation of the departments involved in the collection of national accounts statistics with a view to improving their reliability.

In response, the Government said that it shared the Committee's concern. While bearing in mind the related issue of minimising the burden on those providing the statistics, it had set up a review, to be conducted by the Cabinet Office. The terms of reference would be to examine the existing inter-departmental arrangements for the production of economic statistics and to recommend cost-effective improvements where necessary. The Department of Trade and Industry, as a major compiler of economic statistics, would be conducting a complementary review of its business surveys.

Source: HM Treasury press notice, 22.6.88.

FAMILY EXPENDITURE SURVEY 1986

The results of the 1986 Family Expenditure Survey (see p 22) have been revised, following the discovery of a fault in one of the computer programs.[1] The revisions reduce the estimate of average household expenditure in 1986 to £178·10 per week, compared with the previously published figure of £185·02: 10 per cent higher than in 1985, rather than 14 per cent.

As a result, all categories of expenditure have been affected. Among the main changes are: average weekly expenditure per person was £69·74 in 1986, rather than £72·46, an increase on 1985 of over 7·5 per cent in real terms; the 20 per cent of households with the lowest incomes spent 61 per cent of the average for all households per person, rather than 59 per cent; and the 20 per cent with the highest incomes spent 42 per cent more than the average, rather than 46 per cent.

The revisions have increased the proportions of households' average expenditure on housing, fuel and food (see revised table).

Patterns of Household Expenditure

	Percentage
Housing (net)	16·8
Fuel, light and power	5·9
Food	19.6
Alcohol and tobacco	7·1
Clothing and footwear	7·6
Household and other goods	15·6
Transport and vehicles	14·3
Services and miscellaneous	13·1
Total	100

[1] *Family Expenditure Survey 1986 (Revised).* HMSO, £15·90, unpriced to purchasers of the original report. ISBN 0 11 361 310 5. Some revised figures are also given in an article in *Employment Gazette*, June 1988, HMSO, £3·40. ISBN 0 11 728268 5.

Shorter Notes

THE INDEPENDENT LIVING FUND

The Independent Living Fund, which the Government has set up in partnership with the Disablement Income Group and the Disablement Income Group (Scotland), was formally established on 8 June. The Fund, which will have a maximum life of five years, will provide help to severely disabled people who need domestic support if they are to live in their own homes. It will seek to prevent such people from having to enter residential care if they cannot afford the support; and to enable those in residential care who are capable of living independently to do so. Recognising the high extra costs which severely disabled people in these situations may have to meet, the Government has agreed to provide the Fund with up to £5 million in its first year. Payments from the Fund will be disregarded in assessing entitlement to income support and family credit. Thus any money received by severely disabled people from the Fund will be additional to any social security benefits they may receive.

Source: Joint Department of Health and Social Security-Disablement Income Group press notice, 8.6.88.

VIDEO RECORDINGS ACT 1984

The Video Recordings Act 1984 (see pp 331-2, 1984) is to be fully implemented on 1 September 1988 when, subject to certain exemptions, it will become an offence to supply, offer to supply, or possess for supply, any video recordings which have not been classified by the British Board of Film Classification. The Act has been brought into force in stages since September 1985 to allow the Board time to deal with video recordings already on the market. The final stage brings under the scope of the Act video recordings in foreign languages, silent films, and English language cinema films registered between 1940 and 1969. The categories used are: U meaning universal – suitable for all; PG meaning parental guidance, in which some scenes may be unsuitable for young children; 15 and 18, for people of not less than 15 and 18 years of age respectively; and Restricted 18, for restricted distribution only through segregated premises to which no one under 18 is admitted, for example, licensed cinema clubs. The Board has the discretion not to classify a video recording that it considers unsuitable for viewing by the public. All video recordings will have to be labelled in the prescribed manner to show their classification, and it will be an offence to supply them in breach of classification.

Source: Home Office press notice, 10.6.88.

Government and Administration

Civil Justice Review (see p 221). Report of the Review Body on Civil Justice. Cm 394. HMSO, £11·80. ISBN 0 10 103942 5.

Report of Her Majesty's Chief Inspector of Constabulary for the Year 1987. HMSO, £8·90. ISBN 0 10 252188 3.

Report of the Commissioner of Police of the Metropolis for the Year 1987. Cm 389. HMSO, £11·20. ISBN 0 10 103892 5.

Report of the Parole Board for 1987. Contains written evidence submitted by the Parole Board to the committee currently considering the operation of the parole scheme in England and Wales. HMSO, £4·80. ISBN 0 10 250988 3.

External Affairs and Defence

The Defence Requirement for Merchant Shipping and Civil Aircraft. Fourth Report from the House of Commons Defence Committee. Session 1987-88. Report and Appendix, together with Proceedings of the Committee, Minutes of Evidence and Appendices. HMSO, £8·20. ISBN 0 10 247688 8.

The Procurement of Major Defence Equipment. Fifth Report from the House of Commons Defence Committee. Session 1987-88. Report and Appendices, together with the Proceedings of the Committee, Minutes of Evidence and Appendices. HMSO, £9·50. ISBN 0 10 243188 4.

Famine in the Horn of Africa. First Report of the House of Commons Foreign Affairs Committee. Session 1987-88. HMSO, £11·30. ISBN 0 10 229788 6.

Economic and Scientific Affairs

Insurance Annual Report 1987. Department of Trade and Industry. The report shows that, at the end of 1987, there were 838 authorised insurance companies – four more than a year earlier. HMSO, £4·95. ISBN 0 11 514638 5.

National Savings. Annual Report 1987-1988. Available free from the Department for National Savings, Charles House, 375 Kensington High Street, London W14 8SD.

Small Firms Service Annual Report 1987-88. Department of Employment. By April the Department of Employment's Small Firms Service had almost 300 area counselling offices in Great Britain. In the 12 months to April the Service handled over 266,000 inquiries. Available free from the Department of Employment Small Firms Service, Steel House, Tothill Street, London SW1H 9NF.

Annual Report of the Director General of Fair Trading 1987. HMSO, £7·10. ISBN 0 10 254488 3.

Misleading Advertisements. Explains the powers of the Director General of Fair Trading to stop misleading advertisements. Available free from the Office of Fair Trading Distribution Unit, Chancery House, Chancery Lane, London WC2A 1SP.

United Kingdom Mineral Statistics 1986. Available from British Geological Survey, Keyworth, Nottingham NG12 5GG. £35. ISBN 0 85272 101 3.

The Valleys – a Programme for the People (see p 239). Available unpriced from the Welsh Office Information Division, Cathays Park, Cardiff CF1 3NQ.

Pesticide Incidents Investigated in 1987. Health and Safety Executive annual report into alleged cases of pesticide and other chemical misuse, covering agriculture and other industries. Available unpriced from Health and Safety Executive, Magdalen House, Bootle, Merseyside L20 3QY.

Forest Health Surveys 1987. Part 2: Analysis and Interpretation, by J. L. Innes and R. C. Boswell (Forestry Commission Bulletin 79; see p 81). HMSO, £6. ISBN 0 11 710264 4.

Renewable Energy in the UK: the Way Forward (see p 241). Energy Paper No 55. Department of Energy. HMSO, £4·95. ISBN 0 11 412905 3.

Decline in the UK-registered Merchant Fleet. First Report from the House of Commons Transport Committee, Session 1987-88.

Vol 1. Report and Minutes of Proceedings. HMSO, £7·30. ISBN 0 10 289388 8.

Vol 2. Minutes of Evidence, Session 1986-87. HMSO, £15·40. ISBN 0 10 289988 6.

Vol 3. Minutes of Proceedings, Session 1987-88 and Appendices. HMSO, £12. ISBN 0 10 289588 0.

Post Office Counters Services. The Monopolies and Mergers Commission. The Commission found that services by Post Office Counters – a separate organisation within the Post Office – were not being oper-

ated against the public interest. Cm 398. HMSO, £11·80. ISBN 0 10 103982 4.

Optoelectronics – Building on our Investment. A report by the Prime Minister's Advisory Council on Science and Technology following a two-year study of the British optoelectronics industry. It says that the industry should co-operate to exploit the strong position in basic research already achieved, particularly by identifying and developing markets. HMSO, £12·95. ISBN 0 11 630833 8.

Air Pollution. First Report from the House of Commons Environment Committee, Session 1987-88.

Vol 1. Report and Appendices together with the Proceedings of the Committee relating to the Report. HMSO, £11·30. ISBN 0 10 275288 5.

Vol 2. Minutes of Evidence and Appendices. HMSO, £19·90. ISBN 0 10 287188 4.

Control of Air Pollution in Britain. COI, No 226/88.

Control of Noise Pollution in Britain. COI, No 227/88.

Hazardous Waste Inspectorate: 3rd Report (see p 247). Department of the Environment. HMSO, £7·60. ISBN 0 11 752127 2.

Lake Acidification in the United Kingdom 1800-1986. Report, funded by the Department of the Environment, from the Palaeoecology Research Unit, University College, London. It shows how the study of lake sediments can be used to provide a record of the timing, extent and causes of lake acidification in Britain. It also finds that acid deposition in Scotland has been declining for some 15 years. Available from Department of Geography, University College London, 26 Bedford Way, London WC1H 0AP. £8·20. ISBN 1 871275 00 8.

Regional Trends 23 (see p 237). Central Statistical Office. HMSO, £18·50. ISBN 0 11 620344 7.

Social and Cultural Affairs

Equal Opportunities for Women in the Civil Service: Progress Report 1984-1987. Available free from the Office of the Minister for the Civil Service, Government Offices, Horse Guards Road, London SW1P 3AL.

Equal Opportunities Commission Annual Report 1987. HMSO. ISBN 0 11 701388 9.

Women and Men in Britain 1987: A Research Profile. HMSO. ISBN 0 11 701389 7.

Available together at £9·40. *Women and Men in Britain 1987* alone at £7.

Housing in Rural Areas. A statement by the Secretary of State for the Environment. Available free from the Department of the Environment Distribution Centre, Building 3, Victoria Road, Ruislip, Middlesex HA4 0NZ.

Village Housing and New Villages. A discussion paper. Available free from the Department of the Environment Distribution Centre, Building 3, Victoria Road, Ruislip, Middlesex HA4 0NZ.

The National Museums: The National Museums and Galleries of the United Kingdom. This report by the Museums and Galleries Commission examines critically the characteristics, importance and duties of the national museums and galleries of Britain, how they are funded, governed, controlled, directed and staffed, and some aspects of their collections. HMSO, £5·95. ISBN 0 11 290457 2.

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